

Boutiques Network To Compete With Big Firms

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Thursday, Jun 05, 2008 --- Attorneys have always networked, but certain boutique law firms are now organizing in a way that allows them to offer one-stop shopping similar to what large, general practice firms can provide.

The International Network of Boutique Law Firms, for example, sprang up in 2004 and already has nearly 300 member firms, along with about 20 international strategic partners.

The organization has roughly 40 chapters spread throughout the United States. Each chapter is allowed only one firm from each specialty area, whether it's antitrust, intellectual property or tax, so that the members don't compete with each other.

Referral fees are forbidden when one member firm sends work to another.

"We cover more geographic scope in the United States than pretty much any big law firm," said Steven Spielvogel, president of the INBLF and co-founder of the business litigation firm Gallion & Spielvogel.

He added that even though his organization was still young, he believed large corporations would eventually look to the INBLF as a viable alternative to the general practice firms.

"I believe that over time we will end up having a very prominent brand in the international legal community," Spielvogel said.

At this point, however, he said the organization was first and foremost a referral network.

"When I was at Sullivan & Cromwell LLP, if I was working on a matter and I needed tax advice, I could just walk down the hall," Spielvogel said. "Now, with my network ... I can just call someone up and say I need tax advice."

He said that law should be practiced like medicine, in that a client with an immigration matter should see an immigration specialist the same way a patient with a heart problem should see a cardiologist.

Gerald Wolf, founder of the Wolf Law Group PC, a firm that specializes in ERISA law, said the INBLF was a good way to meet fellow practitioners from all over the country.

“They're all high-quality people, and it's good to be associated with them,” said Wolf, who served as treasurer of the INBLF for three years. “It's something you can't really get on the same level by joining a bar association.”

He added that the organization “offered this real network of lawyers to turn to for guidance and help,” and that he expected to get more cross-referrals as the organization grew.

Mike McKool, chairman of IP firm McKool Smith and a member of the board of directors of the INBLF, said the real advantage of the organization was that he could easily tell his clients where to get assistance outside the IP field.

“We have the ability through this network, which is very rigorously policed for the highest qualifications, for firms in our area or in any area to handle virtually any problem,” McKool said.

All potential member firms are referred by chapter presidents to Spielvogel, who has the final say on whether to admit them.

“He's probably disapproved as many that I've recommended as he's approved,” McKool said. “He's the one who is just very careful about making sure that the pedigree of the member firms is kept.”

“Our standards are very high,” Spielvogel confirmed. “You would be hard-pressed to find a single lawyer on the Web site that doesn't have extremely impressive credentials.”

U.S. boutiques in the INBLF pay annual membership fees of \$1,500, whereas the international strategic partners pay between \$2,500 and \$5,000 per year depending on their size.

Slightly less formal is what's done by California-based McKasson & Klein LLP, a boutique specializing in business litigation and maritime law, which lists about 15 other firms on its Web site for clients who need help outside its jurisdiction.

Though McKasson & Klein enters into marketing arrangements with those other firms, in which they agree to join each other's international networks and list each other on their Web sites, no fees are transferred and no contracts are signed.

“The advantages for a small firm like ours is that we can tell our clients and potential clients that we're greater than the sum of our parts,” said Neil Klein, an attorney at the firm.

He said he came up with the idea of a legal network about four years ago as a way to give his firm more of a national presence.

“I would say that the lawyers who want to grow their firms are all involved in some sort of sustained networking,” Klein said. “A smaller firm ... has to network because the larger firms are very good at this.”

Klein, who previously worked at one of the biggest firms in Johannesburg, South Africa, opined that boutiques can charge less and do equally good work with a faster turnaround than the big, general-practice firms.

“It's much nicer working with people that I like,” Klein said of why he prefers a boutique. “I don't think it compromises the quality; at least, I like to think it doesn't.”

Even the largest boutiques have ramped up their networking of late. Marko Mrkonich, president of Littler Mendelson PC, a labor and employment firm with more than 700 attorneys, said it was “fair to say we're seeing more connections being made between firms, especially across borders.”

Mrkonich said that because Littler is located exclusively within the United States, it needs partners overseas to help its multinational clients.

“As of right now, it's relatively informal, but it's also coordinated, especially on the global front, through our international practice group,” Mrkonich said.

“It's much more than just the phone book,” he added. “It's based on relationships and cumulative experiences.”