

Law Firm's Demise Serves as a Wake-up Call for the Profession

By David A. Hoffman

A month has passed since the announcement that Hill & Barlow, one of Boston's oldest and most respected law firms, is dissolving, and lawyers around the country are still shaking their heads in disbelief.

"It felt like a death in the family," said one lawyer, far removed from the firm but who has tried cases against it. As a Hill & Barlow alumnus, recently departed after seventeen years of practice there, I share the shock and dismay.

I arrived at Hill & Barlow, fresh out of law school, and grew up there. The firm gave me the best training that any lawyer could have wished for. My mentors served as presidents of state and national bar associations. They insisted – some gently, and others not so gently – that we adhere to the highest standards.

Perhaps the most appealing aspect of law firm life was the sense that we were as much a family as a business. However, with the news of the firm's demise, I found myself looking back as if mom and dad had just announced that they are not only getting a divorce but have also decided to level the family homestead because they could no longer agree on how to manage their finances.

Why, I ask myself, was it necessary to dismantle a law firm with one of the best reputations in the U.S.? Why was it necessary to hand pink slips – with no warning – to more than 250 attorneys and support staff?

The news is too recent for definitive answers, but a few tentative ones come to mind.

First, even relatively cohesive law firms, such as Hill & Barlow, feel far more like businesses today than families. Fifty years ago departures of successful partners were rare. When I joined Hill & Barlow in 1985, the firm boasted that no partner had ever left to join another downtown firm.

However, during the last few years, several of Hill & Barlow's busiest partners received attractive offers from larger firms – offers that in the not-too-distant past would have been considered predatory and swiftly but politely declined. Today, predation has become the norm in the world of law, and therefore it should not have been such a surprise when Hill & Barlow's real estate group decided to leave, precipitating the firm's collapse. The harsh winds of commerce, fed by a collapse in the demand for legal

services, have thus blasted apart not only Hill & Barlow but many other equally admirable large and mid-size firms around the country.

Such firms are vulnerable because they have adopted the unrealistic expectation that a regionally-based, general practice law firm with 140 lawyers should offer nearly the same salaries that a national firm with 800 lawyers can provide.

Second, most law firms are astonishingly under-capitalized businesses. In the last month of every fiscal year the partners scurry like mad to collect nearly a third of the firm's revenue for the year. The firms then empty out their cash drawers to pay bonuses, and start the cycle all over again. Hill & Barlow was no exception. There, and at other firms, the competitive drive to pay top salaries – not only to retain the most productive partners but also to attract the best law students – has consistently trumped the need to accumulate reserves that would enable firms to ride out inevitable storms.

Third, only a few law firms are managed with the vigor, leadership, and sense of direction that their business clients employ. Law students are not taught management, and the fierce, often counter-productive, independence of the average lawyer makes us difficult if not impossible to manage.

For years Hill & Barlow succeeded - despite its tradition of fiercely independent lawyers, or perhaps because of it - in creating a sense of community. The firm excelled in public service, with three governors, several judges, and awards for pro bono work for the poor as outward signs of a deeper commitment. Sadly, that shared sense of commitment to the practice of law as a higher calling than the quest for wealth has eroded at Hill & Barlow and elsewhere.

A law firm that could rekindle that spirit, while setting realistic expectations for lawyer compensation, might just have a chance to carry forward the spirit that made Hill & Barlow, for most of its 107 years, one of the most stimulating, indeed inspiring, places where I could ever imagine working.

The stakes in this endeavor are high. We need such a renaissance in the tradition of law as public service not only because of underserved communities but also because it will help restore respect for the profession. And such respect is needed more than ever, as the widespread contempt for lawyers in our society makes it all too easy for the public to lose respect for the law itself.

Hill & Barlow's demise is as alarming as it is sad. Perhaps the only good that can come of it is the wake-up call that it provides for a legal profession faced more than ever with the need to reinvent itself in hard times.

[David Hoffman is an attorney, mediator, and arbitrator at the Boston Law Collaborative, LLC, a multidisciplinary firm devoted to dispute resolution and collaborative law. He can be reached at DHoffman@BostonLawCollaborative.com.]