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Managing Under Pressure

Fresh Leaders At Law Firms, Kurt Kicklighter, Joe Davidson, Robert Brownlie, Ali Mojdehi and Warren Diven Work Through Competing Demands

And you think the life of a typical CEO is complicated. At San Diego's law firms, managing partners' strategies range from full-time chief executives like Luce Forward's Kurt Kicklighter, to part-time bosses like Allen Matkins' Joe Davidson who also carries a full legal practice. Regardless of the structure, each of these lawyers is responsible for guiding and growing their firms in a down economy. They do so with the challenge of working alongside, and for, the co-owners, the attorneys with partnership shares who have demands and expectations of their own. Conversely, managing partners typically step into the job with the advantage of having their predecessors working just down the hall, rather than having "moved on to spend more time with family."

A law.com survey of leadership at U.S. law firms shows litigation (51 percent) as the main growth area. It was trailed by intellectual property (18 percent) and bankruptcy (15 percent). Outside of litigation, real estate law has slowed, as has corporate law with fewer start-ups, mergers, acquisitions and IPOs. Similar expectations exist in San Diego law firms. Client payment on billings also may start to slow this year, although it does not yet appear to be an issue.

Be A Better Listener

At Allen Matkins, Joe Davidson runs the Downtown and Del Mar offices that Casey Gauntt grew over 20 years from four to 40 lawyers. "He did all the hard work," jokes Davidson.

But the job came with surprises. "Being on the inside, you realize how complicated things are," says Davidson, who views himself more as a COO than a CEO. "When you are just serving clients and doing your daily business, you don't think about a lot of little things and big things that are around and necessary to make the law firm run. You find out a lot more about computer systems, staffing issues, technological needs than most attorneys want to be involved with."

Learning when to be quiet is a great management skill. "To me, the most important thing is to be a good listener and let people talk so you can learn what their real needs are," Davidson says.

In today's economy, Davidson, 53, says businesses should listen extra carefully to customers' concerns and how they are trying to attack the economic climate. "You need to know more about the (client's) company than a lot of people who work there," he says. "Know where your customer is going because that may lead you to a different place than if you didn't pay attention... If you have the right vision and business plan, you can make this into an opportunity."

In the legal world, Davidson is seeing clients who are more careful. "People are being a little bit more thoughtful before doing certain types of transactions," Davidson says. "They are more concerned about legal costs, transactions costs — things within their control."

The smart-phone toting Davidson is concerned communication is getting too fast and too digitally dependent. "The difficulty in my mind is some transactions and some discussions take place without the benefit of a face-to-face meeting, done instead through a text message or an e-mail," he says. "It is difficult to read a person and see their facial expressions in that medium. The key to me is the technology is great, but you have to use it wisely, especially when dealing with a client and when dealing with law firm management issues. Sometimes it is best to walk down the hallway and have a face-to-face discussion or go see your client, the person on the other side of that e-mail, to see if they are genuinely interested in the transaction."



Businesses need to listen even more carefully to their customers in times of economic trouble, advises Joe Davidson, managing partner of Allen Matkins' San Diego and Del Mar offices.

Full Growth Ahead

Adopting one of the most aggressive postures in this recession is Luce Forward, San Diego's largest home-based law firm by attorney head count. Under the leadership of Kurt Kicklighter, who became full-time managing partner this year, Luce is opening offices or expanding in San Francisco, Los Angeles and Orange County.

Kicklighter, 52, is consumed by his responsibility to Luce's 62 partners, nearly 140 other lawyers and support staff. "You are in charge of something that makes a difference in whether people have good lives or bad lives, he says.

The growth challenge was amplified by the economy's sudden fourth quarter drop. "Like a lot of law firms, we are trying to catch up with the reality out there," says Kicklighter. "It has forced the creative lawyers in the law firm to really think carefully about what in the law makes them passionate, what engages them and how can we pull that together."

Luce Forward's strategy includes wooing clients who may be downsizing from the more expensive billing structures of national and international firms. "We are getting phenomenal opportunities from clients who are looking for value and don't want to pay the higher fees of our international competitors," Kicklighter says. Luce also broke into a new line by landing a seven-figure, high-end fiduciary investigation of a public company.

Billing practices are becoming more creative. Kicklighter cites the example of placing two lawyers onsite for a client working its way through a merger. "We will help you reach your business goals," he says. "We are taking people and putting them on the ground in a unique way that works for the client and works for us. We are the ones who came up with this, not the client. It will not result in a whole lot of revenue for us, but it will add value to the relationship."

The Immigrant Mind Set

When Ali Mojdehi came to the United States from his native Iran, the plan was to gain oil industry experience in Oklahoma and then return home. "Then something called the revolution happened," he says. "That reshuffled the deck. It made me look around and decide I was not going back to Iran and was going to make the United States my home."

Today the U.S. citizen finds himself the new managing partner for Baker & McKenzie's 26-lawyer San Diego office. He also retains his position as head of the office's financial restructuring group. While welcoming the experience as an honor, he has no plans to stay for years and years. "It is not something I want to do forever," he says.

Mojdehi, 51, says Baker's San Diego office is well-positioned to deal with the current economic upheaval. "As part of a global law firm, we are well hedged," he says. "It is really no different than a business that has customers who are located in different parts of the world. If one customer has problems, you can always look to other markets. Having said that, we are not oblivious to the changes that are going on and we have, just as our clients have, reacted by closely monitoring our costs, trying to become even more efficient and asking our people to do more. In essence we are mirroring what our clients are doing."

Clients today are asking tougher questions of their lawyers. "They want to know how you are going to solve the problem," Mojdehi says. "They want to know 'what is the value proposition?'"

Mojdehi expects Baker to maintain its focus on intellectual property work as it will remain a key driver of the U.S. economy. "If you look at U.S. business, there is a thing called the Smiley Curve," he says. At one end of the curve is intellectual property and at the other, branding and distribution. Below those points is manufacturing. "If you are mindful of where we are as a country, those businesses (at the end of the smiles) will be very important because that is where U.S. businesses make their money and will continue to make their money."



Luce Forward is using tactics such as placing lawyers at a client's office to improve relationships, says Kurt Kicklighter, the firm's managing partner.



The Happy Volunteer

Warren Diven was volunteered to the position of managing partner for the San Diego office of Best Best & Krieger. “My predecessor put office managing partner on the agenda for a meeting we have twice a month. He announced that after three-plus years with a young family, he really wanted to step down. One of my partners said, ‘Oh, Warren will do it.’”

The job of running an office with 40 attorneys and 25 support staff can be time consuming. “I am a public finance lawyer by trade,” says Diven, 63. “If I am working on a bond issue I am working on it for a block of time. The time commitment as managing partner kind of picks at you during the day. It is five, 10 and 15 minutes here and there. At the end of the day you wonder what it was you actually got done.”

As a municipal bond lawyer, Diven had a front seat view of the implosion of a market. “Clearly it was the most interesting year in the municipal bond market I have experienced in the 24 years,” he says. It was capped off by the market simply disappearing for much of October and November. While it has since come back, Diven says cities, schools and special districts are still finding it hard to market securities. For some water agencies, banks are making loans in the \$3 million to \$5 million range.

Diven counsels every company to have a business plan that everyone supports. “It gives you a roadmap for performance,” he says. He also supports delegating responsibility. “It is important to maintaining one’s sanity,” he says.

With 60 percent to 70 percent of its work related to public agencies, the San Diego office is focusing on the financial stimulus packages and proposals. “We are spending a great deal of time talking to our clients (about) how they can participate,” Diven says. Concluding a half-billion dollars would be available for sewer and water projects, his office about six months ago began advising clients to get projects ready to go.

The Natural

Having spent most of the last 22 years with one firm, and having held various leadership roles during that period, Robert Brownlie was a natural for a turn as managing partner for DLA Piper’s San Diego office. “It is an honor for me to occupy this position, given the giants who came before me,” says Brownlie, who originally went to work for Gray, Cary Ames & Frye before it was merged into DLA Piper.

Brownlie, 47, who retains a full-time practice primarily representing publicly traded companies in security matters, says good management requires trusting those around you.

When a lawsuit happens, Brownlee advises having faith in your lawyer. “One of the first things I tell my clients is, ‘your most important role is to manage your business,’” Brownlie says. “I am here to manage the litigation for you so you can increase shareholder value. If you take your eye off the ball by getting too caught up in the litigation, you are not going to be able to do all you can to manage your business.”

As the economy slows, law firms are being challenged. “On the transactional side, deal flow has decreased,” says Brownlie. “On the litigation side, certain areas remain robust, like securities. Other areas are not as busy because legal budgets have shrunk. Less mission critical litigation has decreased.”

Offering words of calm, Brownlie notes this is his third economic downturn. “With each of the other two we got through it and most of our clients got through it,” he says. “This may be more prolonged and it may be deeper. But we have to manage our businesses and create our expectations not only based on where we are today and tomorrow, but we have to look down the road to when there will be a turnaround. There may be a temptation now to pare back to the bone. But if you do that, then you can’t meet your clients’ expectations and you won’t be positioned for when the economy turns around.”