

# MANAGEMENT

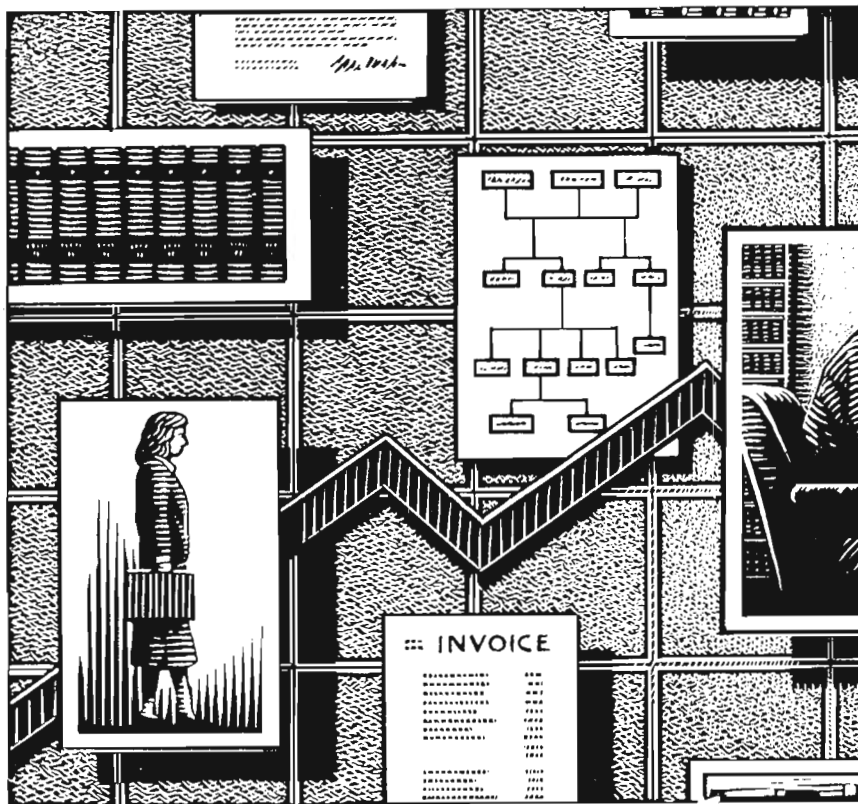
## Post-Merger Work: Set

**C**OPULATING CAMELS on the cover of the September issue of the *Economist* both generated snickers and spurred conversation on Wall Street. The picture captured the theme of a feature article, namely "The Trouble with Mergers." For law firms, the artist's rendering might more appropriately have shown a horse and a donkey, since the usual legal merger often gives birth to a sterile hybrid. The recent well-publicized "de-merger" of Lord Day & Lord, Barrett Smith, which saw the split of two ill-suited hopefuls, is an extreme illustration of the fact that not all mergers achieve the desired effect, namely a healthy and long-lived offspring.

Although law firm mergers have declined lately, the increasingly competitive market for legal services has driven many firms to re-evaluate their practices and find new ways of doing business. At the extreme, some firms are acquired and dissolve their individual character, as in the absorption of 55 of Lord Day's 125 attorneys into Morgan, Lewis & Bockius, creating the largest law firm in the United States with 775 partners. Other firms seek shelter in becoming highly specialized boutiques. Whatever the direction, the recent economic shakeout highlights the necessity of law firms to undertake a self-examination about the way the practice is run. Solid business management and a unified objective have become the keys to the

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kingdom.

Ill-fated mergers and failures merely highlight what is an endemic shortcoming of law firms, namely the inability or unwillingness to define a focus and develop a corporate culture for the entire firm. This failure becomes evident when the passion of the merger mating phase dissipates, the participants separate into their distinct firm and practice group cultures and uncertainty creeps into internal firm dealings.

Since external relations depend on a coherent internal strategy, lack of focus creates a "fuzzy" perception of

the firm among external audiences. Even beyond the merger context, disorientation within has its external reflex, and clients shy away from a firm that appears not to have clear-cut policies and means of implementation.

Traditionally, law firms, which are for the most part partnerships, have created their images by chance rather than design, depending on the prestige of a few *Fortune* 500 clients or on the high-profile achievements of one or two partners to shed a reflective glow of success over their practice. Traditionally too, the partners form an elite decision-making club that

# TECHNOLOGY

## ting Unified Objectives

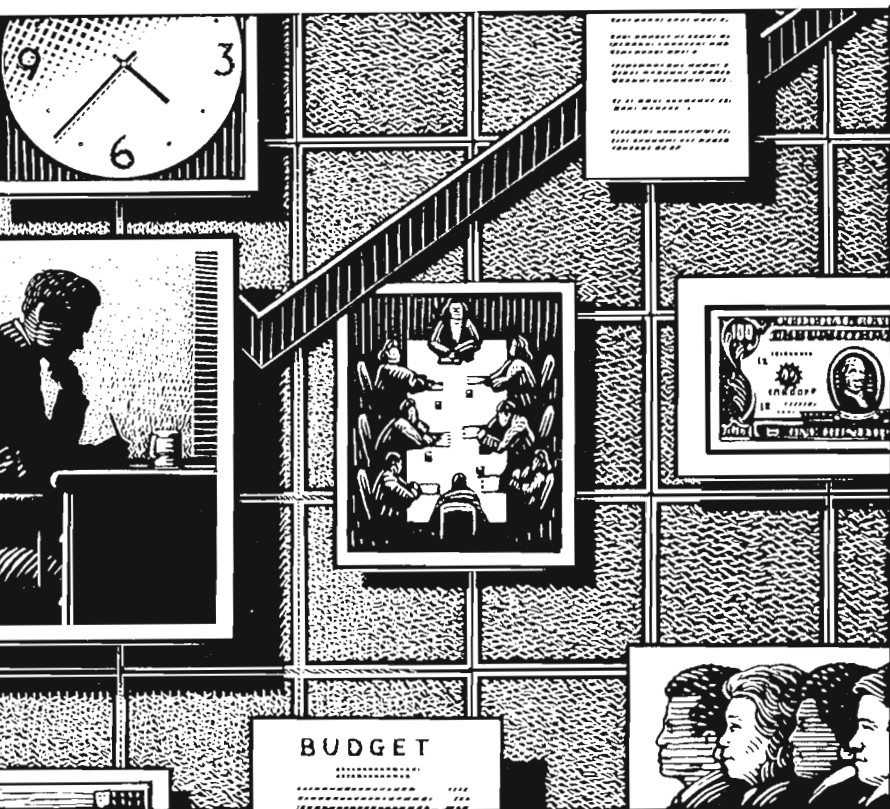


ILLUSTRATION BY JOHN MacDONALD



only occasionally admits a long-tested associate to its ranks; notions of democratic contributions based on internal communication rarely earn serious attention.

Similarly, since partners divvy up the spoils of the practice, they feel more keenly and object more strenuously to inroads into their profits, such as those required to market their services successfully. Finally, partners habitually go their separate ways, nurturing their own clients and remaining unconcerned about the rest of the firm's doings.

Technology, however, has changed the corporate world, and corporations expect their suppliers to keep pace. As summarized by Clive Chajet, chairman and chief executive officer of Lippincott & Margulies, the New York-based corporate-identification and image firm, the marketplace has become "the global fishbowl," where intense scrutiny follows all the details of

every business, including law firms.

A *New York Times* article detailing the demise of Lord, Day & Lord, Barrett Smith in fact pinpoints the confusion in the merged firm's image and its result; the Barrett Smith lawyers were likely to hang miniature basketball hoops in their offices, even as the Lord Day group continued to nurture its carriage trade image. As a firm associate pointed out, clients like to see themselves reflected in their law firm, but just what image was the combined group projecting?

### The Blueprint

Thus, law firms — with their notoriously old-fashioned approach to doing business — neglect what must be a significant first step in communicating with the relevant publics, namely forming an effective communications

Continued on page 6, column 4

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## LAW OFFICE MANAGEMENT

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