

Of Counsel Interview ...

Managing Partner Leads NYC Midsize Firm to Success in the Middle Market

Given the conservative, risk-averse personality of many attorneys, a lot of managing partners take a cautious, wait-and-see approach in leading their law firms. Others know exactly what they want, devise a strategy to accomplish their goals, and take action. It seems Alan Tarter fits into the latter category of law firm leaders.

When he and his co-founding partners formed Tarter Krinsky & Drogin in 2001, he knew where he and his leadership team should take the firm: straight to the middle market to fill a growing service gap in New York City and beyond. As large firms got larger and boutiques continued to pop up, Tarter understood that a full-service midsize firm in Manhattan could, in fact, flourish and deliver cost-effective service across a range of businesses, if managed in the right way. By all accounts, managing partner Tarter has, indeed, done it the right way.

And, he and his partners in the now 65-lawyer firm have created a culture in which the attorneys and staff can offer their own views on how to improve the firm and enhance client service while setting and reaching their own individual goals.

“Alan makes sure that everybody has a voice and everybody has an opportunity to raise their voice and collaborate,” says Tanya

Duprey, Tarter Krinsky’s firm administrator. “We deliver excellent service to our clients but we’re also able to deliver individual opportunities and an overall better work experience for everybody. We take pride in that.”

Recently, *Of Counsel* talked with Tarter about his career, the firm’s strategy, its culture and forward-thinking programs as well as other topics. What follows is that excerpted interview.

Of Counsel: Alan, what initially interested you about the legal profession? Why did you decide to become a lawyer?

Alan Tarter: Well, I was not one of those kids who at 10 years old knew he wanted to be an attorney. That wasn’t me. In fact, my background is in accounting. As I was studying accounting in college I realized that business and law are related in so many ways. The class that I enjoyed the most was my business law class. I thought it would be great to get an education on the legal side and then decide from there what I wanted to do, after law school. I got into law school and really enjoyed it, and after I graduated I started practicing law.

In my position, both as a transactional attorney and as a law firm leader, I think the combination of business and law is really

powerful. I use my accounting background pretty much every day.

OC: What did you do after you passed the bar? Where did you practice?

AT: I started at a law firm called Battle Fowler which is now a part of Paul Hastings. Battle Fowler was about a 200-attorney law firm, which at the time in 1989 was a large law firm. It was a national practice, and I started in the real estate and finance group.

OC: You and your partners started your own firm in 2001. Why did you decide to leave a prestigious large firm like Paul Hastings to strike out on your own?

AT: Well first, I left voluntarily in the middle of a recession in 1992 to start my own law firm with no clients. I decided I wanted to do something a little more entrepreneurial. I loved Paul Hastings. It was a great place to be, and I had a great experience. But I felt a strong need to build my practice and sometimes at a large firm it's hard to build your own practice, in terms of generating business. It can be difficult for younger attorneys to do that. I was fortunate in that I hooked up very early on with some really nice clients and grew with them.

By 1998, I merged my firm because I needed more of a full-service platform, and then in 2001 Andrew Krinsky and I split off to start our firm and Laurent Drogin joined us as well. Since 2001 we have had tremendous growth. We were only six attorneys when we broke off from the other firm. The three of us were pretty much on the same page in terms of what we wanted to do and the type of firm we wanted to grow.

When we started we saw a tremendous need in New York City for middle-market representation. We have many large firms that are great at what they do but they're not interested in smaller matters. And on the flipside, in New York, we have a lot of smaller firms, boutiques, and solos. But

there really aren't that many midsize firms anymore. We figured we would be in a good position when we started, and we were. We've added a lot of depth to our practice over the years. Fast forward to today and we have 65 attorneys and about 115 people in all.

Growing through the Recession

OC: During the recent recession, I spoke to leaders at several midsize law firms who said they were doing quite well. Clients, of course, were looking to save money and, consequently, retaining midsize firms rather than large expensive firms. Is that something you experienced, too, at Tarter Krinsky & Drogin?

AT: We did. As crazy as it sounds, we actually grew through the recession. Clients realized there were cost savings in working with us as opposed to some of the larger firms. It was a pretty good time for us. Again, I think the

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middle-market was really overlooked, especially in New York City. Things have gotten so complicated in the business world and the legal world. You can do the simplest project and you may need two or three different disciplines of law to adequately address it. With a larger firm, that can be kind of hard because you have to start with one department and then move to another department and another, whereas a firm like ours is pretty nimble. We're all in close quarters. We're able to have a quarterback who can work smoothly with our different departments. We have an

appropriate pricing structure, which means we really have to control our overhead. That allows us to offer an appropriate structure.

I saw that need 15 years ago. That's part of the reason we built the kind of firm we built—to address that need.

OC: How would you characterize your firm's culture? And then would you segue into talking about the Professional and Individual Growth Program that you have?

As long as our overhead is increasing proportionate to our size, and not disproportionate, we can continue to grow and strengthen each of our practice areas.

AT: This might sound a little hokey at first but please bear with me. I am from New York City so I'm not really hokey. [laughter] But this is something that's very near and dear to me. Let me start with our core purposes as a law firm. We have two: We want to be a best-in-class law firm, and I'll explain what that means. And we want to create a place where everybody can grow as professionals and individuals, every day.

Here in New York, as you know, people either come in through Penn Station or Grand Central or the subway and when you look at people in the mornings, they have their backpacks on and they're schlepping through whatever transportation station coming through. A lot of people don't look too happy. Most people feel like they're locked into their job. There's no growth.

When we started this law firm in 2001, we felt like we could accomplish anything. We felt so good about what we were doing. And, we wanted to create that same atmosphere, that same feeling for everybody at the firm. We

wanted to have a culture of growth, not just in business, but individually as well. We wanted to create a culture where people can expand themselves and don't feel locked into a position, and that can be a hard thing to accomplish at a law firm.

On the other side, we want to be a best-in-class law firm, which means we want to be the best at everything we do. We want to have the best client experience, the best services support, the brightest attorneys, in our class and category. Now I'm not comparing our M&A group to Cravath. But I'm talking about best-in-class for middle-market, midsize firms. We want to have the best technology, the best business development, the best culture for people. We are constantly working on all of those things. Some of them we are really great at, and others maybe we're not so good at yet but we're working on it. Every year we pick initiatives and we work to improve.

Now let's flip back to the other side again, which is the professional and individual growth. When you're in a [hiring] mode and you go from six attorneys to 65 attorneys, that creates a lot of opportunity for growth. For example, when we decided that we wanted to have a full-service platform to be best-in-class, we needed an IP group. Five years ago, we didn't have an IP department. Today we do with 10 attorneys and engineers, chemical, electrical, and mechanical. We have a person with a PhD in pharmacology. We have a physicist, a biologist. They are all lawyers. We didn't have that five years ago. We had to create systems. We had risk management issues. And all this created opportunities for people from within the firm, also, to be a part of that process.

So there were growth opportunities. For example, the head of our risk management had never done risk management for an IP group. She held meetings with national risk managers at insurance companies to really understand the pitfalls of an IP practice and how you set up these different systems. So creating this new group produced opportunities for our risk management head, and for people in our IP group because we had different IP needs.

We constantly try to create this culture where people are growing.

Setting, Achieving Goals

OC: As I understand it, you have an associate who landed a book deal. Does that fit in with the Professional and Individual Growth Program?

AT: Oh, it totally does.

OC: How did the program help with that?

AT: With the program, we go to every one of our employees and we ask them to come up with a goal, one that they can achieve within the year. We help them refine that goal. Not everybody's great at goal-setting. I'm a big believer in setting goals, and then setting up action items to achieve those goals, monitoring them, putting them on your to-do list every week. Not everybody has that in their background so we help them. After we refine the goal, we support them, either economically, emotionally, or otherwise.

Max Rosenthal, for example, was an associate who just left the firm two weeks ago and took an in-house counsel position at Fox Television. We are very proud of Max. He's a great friend of the firm. Max's goal was that he wanted to write a book. He had come to us from an internship program at Northeastern Law School. When he graduated, we couldn't give Max a job right away because we didn't have the position at the time. He worked for another firm for a year and a half and when we finally had a position we brought him over.

Max has always been very interested in the internship program and also with new associates who were coming into the firm. So we put him in charge of the program. He really developed it. He put in new systems for interviewing and orientation and for monitoring it and the assignment process for the interns.

He decided that he wanted to write a book on legal internships. Believe it or not, there's

no book out there on this. Max came to us. We discussed it. We supported him. There were actually two books that both the ABA and LexisNexis were interested in. One is called *The Bridge*, which is a book on internships, from the interns' perspective. The second one is about setting up an internship program, which is not published yet. We helped him with research by providing them the resources to hire someone to help him do the research and we gave him time off to write the book. And his first book was published, and two or three weeks ago it went out to the public.

Conflicts Can Be Challenging

OC: That's a great story. It sounds like it's a perfect example of what the program can do. I want to shift gears here, Alan, and get back to you. You obviously speak about the firm enthusiastically. I can hear it in your voice. I know you get a lot of satisfaction out of managing the firm. But you also surely run into challenges. What is it about leading a firm of your size, in New York City, which also has international clients, that keeps you up at night?

AT: Oh, there are no challenges. [laughter] I sleep like a baby every night. There's nothing difficult.

I've gone through different phases in leading the firm, initially starting my own firm and having it evolve through different stages. Believe it or not, a great challenge that caught me off guard was conflicts. We are so New York-centric and we have so many clients in the city and we're doing so many different things that conflicts come up. Administering those conflicts can be challenging. Obviously if you have a conflict with two different clients, you'll have internal discussions on that. I'll tell you though, part of what helps with that challenge is our culture. When you have people working together, rowing in the same direction, and tough issues come up, it makes it a little bit easier.

Another challenge is cybersecurity. We're really focused on cybersecurity; it's something we're all thinking about.

OC: When does it become important to you to stabilize your growth and hold hiring steady for a while to maintain the culture that you have created and nurtured?

AT: That's a great question. I know what we don't want to be. We don't want to be a large law firm. That's not what we're interested in. We want to be the very best middle-market, midsized firm. Whether that means being 65 attorneys or 80 attorneys or 120, and I hate to say this, but I don't know the answer. I do know that we still plan to grow. I do know that we have to keep our expense structure in line with our rate structure. It's very important for us to maintain competitive rates.

As long as our overhead is increasing proportionate to our size, and not disproportionate, we can continue to grow and strengthen each of our practice areas. But we won't continue to grow if we find disadvantages to that growth, one of which would be if our overhead structure or expense ratios get too high.

Yes, when you grow your culture does change. But we do a lot of things to try to maintain that culture. We're proactive in getting people to interact more. We hold things like monthly lunches and breakfasts. We are very strategic in where we have those because we want people moving around the office. We want them interacting and collaborating. Once a month, I hold a very intimate dinner with maybe six or seven employees, attorneys, just to talk about who they are and what they're doing on a daily basis.

OC: You're a 65-attorney law firm, but you have international reach. Is that right?

AT: Yes, we do have international reach. We do both inbound work and outbound work. A good portion of it is inbound, meaning we represent foreign companies in the United States. We represent a lot of clients from Italy. We

represent a lot of companies that are very well known. Their executives, for example, might need to get visas and we have an immigration group with attorneys who can help executives do that. They need to set up their structures here and we help them with that. They need to write their first employee manual and we help them with that. And we help them in many other ways as well.

We also have an outbound practice. We are members of an organization called Lawyers Associated Worldwide, which gives us access to 100 firms globally, and we can work closely with them.

Our IP group also does a lot of international work.

OC: Finally, Alan, to what extent is pro bono work and community service important to the lawyers at Tarter Krinsky and Drogin?

AT: I think that's part of growth. We get very involved with our community. For example, our offices overlook Herald Square right across from Macy's. Every year we hold a party on Thanksgiving morning, a brunch. We have these conference rooms with big windows that overlook the Thanksgiving Day parade. Each year we donate the rooms to charities so that people can eat brunch and watch the parade. This year we had two charities, both of which are cancer-related. One is Make-A-Wish, so we had a Make-A-Wish child whose dream was to watch the parade.

We also have attorneys who get very involved in pro bono work and serve on boards such as the board for an organization that helps foster kids. We also help economically challenged kids [in several different ways]. We do other things and all of it is very rewarding and fits in well with our culture. We take pride in our community involvement. ■

— Steven T. Taylor