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Back to Article

Jumping Off the Law Firm Track

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Everyone, including Spencer Baretz, thought his law career was off to a flying start when he accepted a job as clerk to U.S. District Judge I. Leo Glasser in the Eastern District of New York.

But it turned out to be something more like a flying exit.

Baretz discovered while elbowing through the media throng -- drawn to the federal courthouse by high-profile cases like the prosecution of Salvatore "Sammy the Bull" Gravano -- that he was less interested in what was occurring inside the courtroom than outside.

"They were media circuses, and I loved it," Baretz said. "I always had [public relations] on the brain, but I never thought of making a career out of it."

In 2002, after three years in the corporate practice at what is now <u>Katten</u> <u>Muchin Rosenman</u>, Baretz left the firm to launch <u>Hellerman Baretz</u>, a communications consulting firm specializing in law firm marketing.

"I really enjoyed the law, but until your fifth or sixth year you are a paper pusher," Baretz said. "It's not that intellectually stimulating. Here, I'm running a business, negotiating deals, pitching business."

Attorneys who follow Baretz's path are often prompted, they say, by the immeasurable lure of building an idea into a business.

Now that inspiration is combining with the sense of increased job insecurity prompted by widely reported job losses, such as the January <u>layoff of nine associates</u> in the global finance and capital markets practice at <u>Cadwalader</u>, <u>Wickersham & Taft</u> and the decision in March by <u>Thelen Reid Brown Raysman & Steiner</u> to <u>lay off 26 associates</u> and <u>85 staff</u>.





'NOT MUCH SECURITY'

"What was once more of a fraternal relationship has become a business relationship," said <u>Joel Rose</u>, a management consultant in Cherry Hill, N.J., specializing in law firms. "There is a great sense of, 'What can you do for me now?' as opposed to, 'You've worked hard; you've put in your time.' There is not that much security."

Jonathan Levitt was clearly not giving much weight to job security when he launched Outside GC in late 2001.

The economy was tanking after the Sept. 11 attacks, and his wife had just given birth to twins -- their third and fourth children younger than 5. Nevertheless, when for the second time a position as general counsel at a technology startup ended, he chose to launch his own company instead of job hunting.

"I probably could have made a lot more money a lot quicker trying to make partner at a law firm, but there is the pain associated with that," said Levitt.

Levitt was inspired to create Outside GC to meet the needs of smaller companies, like the two he'd worked for, that need an inhouse attorney but not full time.

Outside GC now employs 20 attorneys who handle day-to-day legal work for as many as 10 companies, working a total of 25 to 50 hours per week, depending upon their preferences.

"I wanted to work for myself, and I was always thinking more about growing a business than being a lawyer in the usual sense," Levitt said. "It is a difficult slog trying to make partner. I don't talk to a lot of law firm lawyers who are really happy."

No one is keeping hard statistics on how many lawyers leave the profession to start their own businesses, but the number is likely small.

Charles Volkert, executive director of <u>Robert Half Legal</u>, the legal-staffing division of Robert Half International, cited a survey of lawyers at major firms and corporate legal departments. Though many expressed interest in teaching, public policy or corporate jobs outside the legal department, 93 percent would not consider starting their own practice, much less an entirely new business.

"You have to be entrepreneurial to go out on your own, end of story," said Volkert, who was a litigator before joining Robert Half nine years ago

David Galbenski had been a commercial litigator for just four months at <u>Timmis & Inman</u> in Detroit when his frustration from looking for staff to perform document reviews gave him the idea for a law firm staffing company.

In December 1993, he put a phone line in his basement and spent the next year practicing law and nurturing the business that has grown into Lumen Legal, with offices in 17 cities nationwide.

Galbenski is the CEO but also incoming president of the <u>Entrepreneurs' Organization</u>, with 7,000 members in 33 countries. He is completing a book on entrepreneurship reshaping the legal services industry.

"I didn't dislike practicing law; it was just that I always had this entrepreneur bug," said Galbenski. "A lot of people go to law school not really understanding what it means to practice law and how that impacts your life. The societal trend around the globe is a greater interest in entrepreneurship. I find more and more people interested in transforming legal services through entrepreneurship, and they don't see doing that inside a large law firm."

Lance Broumand and Aric Lavinthal earned a reputation in the New York office of <u>Willkie Farr & Gallagher</u> as capable attorneys, as well as the best source of information on the hippest clubs, restaurants and parties.

"We were the go-to guys when guys were planning for the weekend, going to dinner, going on a date," Broumand said.

Broumand and Lavinthal created an e-mail newsletter for Willkie Farr lawyers describing the latest on the Manhattan social scene.

The circulation quickly doubled and kept doubling. In 2005, Broumand left the firm to create <u>UrbanDaddy</u>, a daily e-mail magazine catering to high-earning young professionals in New York and a growing number of cities nationwide.

Lavinthal stayed at the firm but assisted with the technical aide of getting UrbanDaddy operating, as well as editing and writing. He later left the firm to work at UrbanDaddy full time.

"I have not been linear in anything I've done," said Lavinthal, who earned an engineering degree before deciding on the law.

"Going to law school at [New York University] opened a new city and way of thinking to me. I put a lot of work into the law, and I learned a lot, but when I found something interesting, I moved."

Broumand said the opportunity was obvious to him. He knows how to have a good time, but a lot of people need some pointers.

"Initially, it was a big hit to the bottom line. I was doing extremely well at the law firm and not half as well at UrbanDaddy, but when you love what you do and do it well, the money comes," Broumand said.

"My understanding of being a lawyer came from TV and movies. It didn't turn out to be so sexy. It was a challenge for me to sit behind a desk, thinking, 'Should I use a semicolon or a comma?'"