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Greenberg Traurig Says Secret Is More Partners, Not Fewer

By **Andrew Strickler**

Law360, New York (March 24, 2014, 8:00 PM ET) -- Greenberg Traurig LLP has the highest number of partners of any firm in the U.S. and the highest concentration of partners among the top 15 firms in the Law360 400, and the firm says being able to put more partners in front of clients gives it a competitive advantage in today's cutthroat marketplace.

Greenberg's partner concentration — more than 54.3 percent of its 1,558 U.S.-based attorneys are partners — is especially notable given the firm's size. It scored the No. 2 spot on the Law360 400, topped only by Jones Day with its 1,739 U.S. lawyers. Other firms of its size on the Law360 400 have more modest partner concentrations — Jones Day has a partner concentration of 37.3 percent in the U.S., while Sidley Austin's partners account for 38.95 percent of the firm's U.S. attorney pool.

"The translation for clients is that they are not paying excessive costs to train people, and there will always be at least one shareholder that is really handling the matter, not just a shareholder who shows up at a pitch," CEO Richard Rosenbaum said.

Among the top 15 firms by overall size, K&L Gates LLP has the second-highest partner concentration at 54.24 percent, followed by Littler Mendelson at 49 percent. Both firms maintain a nonequity partner tier.

Greenberg's U.S. shareholder headcount includes full-equity "principal" shareholders, as well as lawyers on two lower equity tiers. Partners make capital contributions based on their tier and other factors, and they have a corresponding weighted vote. Although principal shareholders are often compensated at a higher level, compensation is not tied to tiers, but includes a qualitative analysis of each shareholder's contribution.

Although Greenberg has raised capital contribution requirements in recent years following a larger industry trend, the totals are still modest compared to Greenberg's peer firms, Rosenbaum said, a fact he says reflects the true cohesion in the partner ranks.

Greenberg's large U.S. partner roster is the product of a strategy adopted in the early 1990s to build a lean-but-broad platform concentrated on U.S. markets, Rosenbaum said.

"We have always had a high percentage of our lawyers as shareholders and a lot of diversity of experience in our shareholder ranks. It's nothing new," he said. "It allows us to provide seasoned lawyers to our clients in a wide range of practices and locations, people with real expertise and at a reasonable cost.”

Greenberg has grown exponentially from its modest South Florida roots, building in many nonmajor markets through investments in geographically tied areas like litigation, real estate and middle-market private equity. The firm’s widespread presence — Greenberg currently has 29 U.S. offices in 15 states, including seven in its home state of Florida — also allows partners to compete on fees with firms more concentrated in New York and the other top-rate markets.

More offices and balanced local rosters also mean more partners in a position to fight for business from local or regional firms in cities like Denver, Sacramento and Philadelphia.

And as many others in BigLaw in recent decades launched aggressive overseas expansions in Europe, the Middle East and Asia, Rosenbaum said, Greenberg has remained focused on the relatively predictable — and profitable — domestic legal market, even as it has opened a handful of overseas branches in Mexico City, Tel Aviv and elsewhere.

“We’re not a firm that was ever only in New York or in the major finance centers,” Rosenbaum said. “The fact that we are in all these places has been beneficial because clients are more sensitive to costs than they used to be … and if we work as a team across offices, we have quality people in a lot of places that are less expensive than New York and other such locations, and you save our clients money."

--Editing by Jeremy Barker and Philip Shea.