

DAILY BUSINESS REVIEW

Greenberg Traurig Results Fed by 4% Revenue Growth

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Greenberg Traurig reported a healthy year in 2015 with gross revenue rising 4 percent to \$1.32 billion and profit per partner up 3.5 percent to \$1.475 million.

Net income at the international law firm also increased 5.2 percent to \$448 million. The lawyer head count rose 4.5 percent to 1,809 lawyers in 38 offices.

The latest financial results are similar to those in 2014 with the exception of revenue per lawyer, which dropped 0.7 of a percent to \$730,000 last year.

Much of the firm's growth was in Berlin, where the firm opened a 50-lawyer office—its fourth in Europe.

Firm executive chairman Richard Rosenbaum attributed the firm's continued success to lowering costs per lawyer, improving the firm's collection rate and taking advantage of strong transactional work in real estate, mergers and acquisitions and corporate.

Additionally, the firm benefitted from an increase in regulatory and advisory work in the four state capitals where it has offices plus Washington, as well as

high-level government investigations into white-collar crime and cybersecurity matters.

"On the flip side, you're seeing a much more competitive environment in general litigation, including things like patent and commercial litigation," Rosenbaum said Wednesday. "Our focus has been on having really good attorneys work on teams to be more competitive on costs."

The firm did well in all its offices with Florida, New York Chicago and Atlanta particularly strong, he said.

Rosenbaum doesn't plan to open any new offices this year and instead will focus on expanding existing offices in the United States and Europe. The firm is currently in talks with the 550-lawyer British firm Berwin Leighton Paisner about a potential merger, but Rosenbaum said it's too soon to tell whether it will be consummated.

While other law firms have focused on Latin America and China, Greenberg Traurig has found Europe to be a strong market as of late.

"As we look forward, my guess is the United States and the developed countries—the United Kingdom, Germany and Poland—are going to be where the action is over the next couple years," Rosenbaum said.

The firm's performance exceeded his expectations with the possible exception of one area—revenue per lawyer, which dropped 0.7 of a percent. Rosenbaum said the reason for the dip is two-thirds of the new lawyers are outside the United States, where billing rates are generally lower.

"Those lawyers generally have lower rates, but they also have lower costs," he said.

The firm's cost per lawyer declined 4 percent, or \$8,000, while the realization rate, or



J. ALBERT DIAZ

Greenberg Traurig executive chairman Richard Rosenbaum attributed the firm's continued success to lowering costs per lawyer and improving the firm's collection rate.

collections, increased 1 percent to 87 percent.

"We have had more realistic billing rates that have resulted in stronger collections," Rosenbaum said. "We increased the amount of our work that is done at a fixed rate or alternative basis. We have done a better job of communicating up front with clients."

Ward Bower, a law firm consultant with Altman Weil, called Greenberg Traurig's performance in 2015 "more than just a good year. That's a really good year, especially in this economic environment."

"Their growth has been focused on markets that are likely to be renumeration—the big cities," Bower said. "It sounds like their growth strategy is paying off. It sounds like Richard Rosenbaum is doing a good job leading the firm."

Since opening in Miami in 1967, Greenberg Traurig has grown meteorically, ranking 15th on the 2015 Am Law 200 list of top U.S. law firms by revenue last year.

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GREENBERG TRAUIG 2015 RESULTS

Financials	Amount	% change
Gross revenue	\$1,321,500,000	4%
Profit per partner	\$1,475,000	3.5%
Revenue per lawyer	\$730,000	-0.7%
Average partner compensation	\$770,000	0.7%
Net income	\$448,000,000	5.2%
Profit margin	34%	0%
Head count	Total	% change
Lawyers	1,809	4.5%
Equity partners	304	1.7%
Non-equity partners	641	4.5%