

## Disruption and Disconnection: Greenberg Traurig's Richard Rosenbaum Expects a Tumultuous 2021

In an interview with *The American Lawyer*, Rosenbaum explains why he thinks the next year will be full of movement among lawyers, and the ramifications of remote work.

By Ben Seal  
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From the beginning of the pandemic, Richard Rosenbaum says, he has been focused on the long term. Coming off Greenberg Traurig's successful 2019 and a banner first quarter of 2020, he's been thinking about how the firm's actions this year will reflect its values five years down the road.

"We had this strong sense back in March that what happens over the next month will define us and will create opportunities for a long time to come," Rosenbaum, the firm's executive chairman, says.

With that in mind, the firm committed in March to avoiding pay cuts, layoffs or furloughs, although it did offer buyouts to some staff in October. And, he says, the firm has used this moment as an opportunity to expand its European talent pool.

"Firms are still adjusting to the new normal, which already happened," he says. "We're talking about the next normal. Where will we be when this period passes?"

It's clear that Rosenbaum hopes being back in the office is part of the answer. He says he hasn't stopped traveling to the firm's offices—"I'm not hiding"—and that collaboration is key to his firm's future. In this interview, he discusses the future of law firm staffing, why 2021 could be a disruptive year for the industry, and the ramifications of this moment of disconnection.

**Ben Seal:** In this highly unusual time, your firm is among those that have been busiest on the lateral market. Where do you see room for opportunity in the present moment, and what does that activity say about the firm's overall trajectory?

**Richard Rosenbaum:** We care about being unified and being collaborative. We care about making sure that our people who are here now are healthy and doing well. Those are our first priorities. Assuming we don't jeopardize those priorities, what do we want to do next? Once you have thousands of lawyers, getting bigger no longer matters. Whether we are 2,000 lawyers or 3,000 lawyers or 40 offices or 45 offices is



**Richard Rosenbaum**, Executive Chairman of Greenberg Traurig.

not relevant to our clients. And in the end this is all about giving clients something that is unique and satisfies what they really want, which is excellence, value and relationships. Any additions you make, and frankly any subtractions, all have to have that focus. If you look at what we've added, it all fits that description. It's becoming more excellent or adding more critical mass in the areas we're already very strong in. It's not about doing everything for everyone everywhere and being OK. It's about being the best in the things you do, whatever they may be.

There are some emerging areas that are becoming more important because of the pandemic and the economic ramifications. Data privacy and security is an area where if you don't have it, you have to have it. It is absolutely an area where we are beginning to lead. Virtually every client, including law firms, has to worry about this area. It could be a major issue on any particular day, and you need immediate capability at the highest level. When a client has this problem, they don't want you to have to learn about it, and they don't want somebody who does it sometimes. They want the best. And it's not local. It's national, and it's global.

The other area of course is every aspect of real estate. Typical real estate transactions in many places are going to be down this year, but we grew up in South Florida, the land of the real estate cycle, and one thing we learned is if you are among the very best you will be reasonably busy during any cycle. There's always work that has to get done. And in fact when things aren't good, the work sometimes gets more complex. If you are not among the best, the cycles hurt you much more. So it's very important to us that we maintain and even increase our real estate leadership position in the United States and around the world.

The next thing is restructuring. I'm continuing to build a practice we've had for a long time. We're building it virtually everywhere. Especially working with funds, because over the last five years we've made a major move into the funds practice, doing deals from South Florida to New York to Chicago to Europe to Asia to Latin America. Ten years ago we did very little in this area. Today it probably accounts for about 20% of our business. The funds control so much business today, either directly or indirectly. So working with the funds as they work through opportunities during moments of distress is a major focus of our restructuring strategy.

[Rosenbaum also mentioned litigation, intellectual property, media and entertainment and government work as growth priorities for Greenberg Traurig.]

**BS:** There are some readily apparent long-term changes the pandemic is going to bring to law firms, including around remote work and physical space. Are there other aftershocks you see spreading across the industry in the coming years?

**RR:** We've heard a lot about remote work. I personally don't believe that firms that go heavily remote will succeed. I think that being in the office is going to eventually be back en vogue. Maybe something like 15 to 20% of people will spend a larger percentage of their time working remotely. But the idea that law firms are going to be mostly remote, I just don't believe it. I think lawyers that work closely together as soon as it's healthy to do so will do better than people all in their separate houses.

There's an interesting phenomenon going on. I hate to compare it to marriage, but I'm sure you've read about how a lot of marriages are either getting closer or less close. I know some friends of mine who are divorce lawyers are pretty busy. The fact is that many of us are looking a little more deeply at our relationships, our values. This kind of thing hasn't happened in 100 years. And it's forced people to look very closely at the fragility of their lives. And it also is making them look at their law firm.

If I'm in a law firm where I'm not happy, where it doesn't match up with my values, where I don't see the respect, the trust, the empowerment, the diversity—where I don't feel good about the firm and the only reason I've stuck around is they

pay me pretty well—I think people during times like these will rethink their marriage with their firm. I am seeing people willing to talk to me that are at firms where they've spent decades.

In our firm, a partner really is empowered to set rates, to do what they have to do to succeed and compete, within ethical and quality standards. That's the only way you can do it today. You have to be agile; you have to be able to adapt and serve your clients. Those are the people we want. Well those people are not happy anymore in a firm where merit is not the reason they get paid, where it's lockstep or close to lockstep. There's going to be movement, especially to firms where true performers will still get paid what they should get paid.

The second thing is, I think people are going to realize that there are many places you can live other than just certain big cities. The fact that you can be a part of Greenberg Traurig and live in 30 different U.S. markets and still be part of the same firm and get the resources of that firm and charge billing rates that make sense for your practice and your location is going to be a huge advantage.

**BS:** Among the biggest decisions most firms faced this year were questions about layoffs, pay cuts and furloughs. Greenberg hasn't taken any of those actions but did recently offer buyouts to staff members. What does that move say about what you see as the future of law firm staffing?

**RR:** If you look at what technology has made possible and you assume that even 15% of your lawyers are going to be able to work more at home, and if you assume that as younger lawyers come up they are going to be more adept at using technology than, say, I might be, you're going to use less staff, let's face it. If clients are coming to your office less for a period of time at least—and who knows what the habits will become—there's going to be a certain element of staff that are going to have less to do.

This is a future-oriented move. If we needed to make a move that was short-term, we certainly wouldn't do a voluntary buyout program aimed at people who are going to retire. We made this program available in a significant number of the U.S. offices, mostly the larger offices where people have been a long time. It was a way of treating people with respect, so it was their choice and giving them the opportunity to do it in a way that would be more beneficial to them. [The severance package is 50% higher than normal, including nine weeks' pay for those with 10 years or more at the firm.]

We thought it would be a home run. And most of these people know the world is changing. If we offer this from time to time, it might be a way of slimming down the staff without it being couched as a major layoff or requiring us to do major layoffs. Only a firm disciplined over a period of years could afford to do it this way, but we think it's the best way. It allows people to leave and have a good feeling about the firm after spending so many years here.

We relate to these people and we have a closeness to the staff, and it's very emotional on us when there's pressure on staff. These things have no small part in our reluctance to do layoffs ever. It's pretty obvious we're going to have to have a somewhat smaller staff over time to transition to what is the next normal. In the end, clients have pressure to receive value, and our best talent needs to get paid.

**BS:** What do you think professional staff members will need to offer going forward to better align with firms' needs?

**RR:** The only things that to me are obvious are being as technologically adept as possible and being focused on being part of the team. Not just sitting at someone's desk and doing a particular task but being part of a team that is doing everything they can to satisfy a client's needs—understanding and knowing the client, being available and doing the extra task. And by the way, it's not where they're sitting, it's an attitude. It's a willingness to be available, whether they're sitting at home or in an office. It's an attitude that they're all in and they're willing to do what it takes. People who want to work between designated hours and punch the clock and just do certain tasks and not be fully invested are going to have a tougher time.

**BS:** As we reach the end of this very long year, with Greenberg Traurig expecting to post revenue growth of 5% despite the pandemic, what are you focused on in your leadership of the firm in 2021?

**RR:** I don't believe that the pandemic is going away tomorrow. Even if you're an optimist and you believe there will be some vaccines and better treatments, the fact is it's here.

The election is going to be an important event, no matter who wins. [Editor's note: This interview was conducted shortly before the election.] Either way, it could have a beneficial impact on law firms, but particularly if there's a change in the president and Congress, I think there could be a period of uncertainty about what's going to happen. That's an issue, and it may particularly affect transactions. When there's uncertainty, people tend to wait. So I'm a little concerned about what might happen in the transactional areas. But litigation, restructuring, IP are going to be booming, if there's a change. If our current president continues and there isn't much change, then I think there's a lot of social upheaval, but from a business perspective it'll be more predictable.

There will be much more lateral movement, and you may see more mergers. There are firms that are not doing well on

the margins, and you may see more of them looking to do mergers. You may also see some of the firms that have done mergers in the last few years where the cultures haven't glued yet come under increased pressure, particularly the ones that are global. Those are going to be difficult. If you're a unified firm that's been building the way we've been building for decades, it doesn't make these times easier. But, if you add to it that your cultures are still getting to know each other or there never was a culture, it makes it much tougher.

If you have people with good practices and they don't feel culturally wed to the firm, it's much easier for them to say it's time to go. If you're at a firm where everybody's sitting in their own home and they don't feel this strong cultural bond, after a while they may start thinking, 'I feel disconnected' and be much more available for that phone call from the next firm. Next year might be a time of a lot of movement between firms, which might leave some firms feeling weak. It could be a disruptive time in the industry, but as usual I would view that as an opportunity.

**BS:** What is keeping you up at night these days?

**RR:** Honestly what keeps me up the most is not being with people more. I was always in the office, always with people. My wife lives in Poland, so I can see her, but it's a big deal. And my kids live in New York. I miss being able to live a normal life and be with my family and my Greenberg Traurig family and see clients. I can't believe this year how hard it is just to say I'm coming over for lunch. I miss the human interaction, and I worry about the long-term impact on relationships from not being together. I'm trying every way I can to create small group settings that are very safe. I've had five or six people come over, do PCR testing before, do rapid testing at my house and wear masks, just to be together.

This business is people. The assets are people and, as they used to say, your assets go up and down in the elevator every day. So not being together is what keeps me up at night. We need to get back together as soon as possible.

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