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Butler Snow jumps at chance to add talent

By Bill Lewis
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Executive Q&A: Donald Clark Jr. and Dan Elrod

The law firm Butler, Snow, O'Mara, Stevens & Cannada PLLC recently expanded its Nashville office by nearly 40 attorneys who were previously with the Nashville office of the Miller & Martin law firm.

The expansion instantly made Butler Snow one of the largest firms in Tennessee and among the largest in the country, with more than 220 attorneys practicing in 12 offices nationwide.

Donald Clark Jr., the firm's chairman, and Dan Elrod, who joined Butler Snow from Miller & Martin and now is a member of its executive committee, discussed the firm's plans with *Tennessean* contributor Bill Lewis.

Butler Snow opened its Nashville office less than a year ago and now has gone from just two attorneys to 39 lawyers in the city seemingly overnight. What makes Nashville so attractive to the firm?

Clark: Nashville is a real star of a city. It's obviously a city that everyone is trying to get to, regardless of the type of business, and we're no different. We have a large office in Memphis, and it is only natural for us to look to Nashville for expansion. We have so many clients who need access to not only the government in Nashville, but Nashville is becoming known far and wide as a business center, very friendly to business.

We usually grow by adding a lawyer here and a lawyer there, but when the opportunity presented itself to recruit a larger group, and understanding the history of this group and the fact that they're all great lawyers ... we jumped at the opportunity. They had a lot of options. They could have gone to any firm individually or collectively. The fact they chose Butler Snow I think reflects the culture they were seeking to practice in. We're thrilled to have them.

What are the firm's growth plans from this point forward?

Clark: Butler Snow doesn't necessarily seek to be largest firm in the country. We don't believe in growth for growth's sake. Having said that, with the kind of clientele that we have — and that we seek to attract — it's very necessary to have the areas of expertise, the bench strength if you will, to serve clients. We view Nashville as an opportunity to continue growth both in certain expertise but also because this is essentially a new market for us.

We are temporarily in (the One Nashville Place building downtown) and will be seeking out new space and will have an announcement on that shortly. But when we talk about new space, we're talking about space that can accommodate many more attorneys than we have now. So, we have great plans for growth here.

Elrod: I'd echo what Don said, and add that we have already found Butler Snow to be such a great platform to serve clients, it's inevitable that other lawyers will be attracted to that platform.

Dan, you are a well-known health-care attorney. Is that an area of emphasis for the firm? What

other industries do you serve?

Elrod: It is an area of emphasis for the firm, one of many areas of emphasis. Butler Snow is a full-service law firm and does everything and does everything really well, which is one of the reasons we were so attracted to the firm.

Clark: On health care, our practice runs the gamut from physicians' groups to hospitals to even large pharmaceutical companies of an international nature — both on the litigation side and (the) regulatory side. Health care in Nashville obviously is a huge industry and a driving force for much of the economy. So we are involved and intend to be very involved in that industry. Corporate mergers and acquisitions, intellectual property, all those things go in the mix.

The 37 attorneys who recently joined the firm came from Miller & Martin's Nashville office. Is it unusual for that many attorneys to make such a move at the same time? And is that an indication of just how competitive law firms are for top talent these days?

Clark: It is unusual for us to have that many attorneys join us at one time. However, if you look around the legal community, not only in Nashville and the Southeast but nationally, the trend these days is there has been a consolidation of law firms. The larger firms are getting bigger and sometimes they are doing that by acquiring whole firms.

It's been a bit unusual here in Nashville. I'm not sure there's been a deal of that size, at least recently, that I'm aware of. But at the same time you certainly have to go after talent, and it is competitive.

Elrod: It partially reflects the determination of that group (Miller & Martin) to stay together, if at all possible. And it certainly is a competitive environment. We had opportunities collectively and otherwise to go other places, and in our view Butler Snow was the clear choice. (Its) culture particularly focuses on the team approach to delivering client services, and a team approach that doesn't focus on who's getting financial credit, but instead focuses on getting the job done for the client. That was very attractive to us.

Butler Snow embraces alternative billing for about 40 percent of revenues. That's billing on a basis other than billable hours. Are corporate clients demanding that sort of change and control?

Clark: When it was apparent the country was about to go through a recession, everybody was looking at their business models. We figured corporate legal departments would be looking for certainty in their legal budgets, just like any other aspect of a company's budget. Instead of hiring a lawyer and it being open-ended, which is what you get sometimes with billable hours, how can we deliver legal services at a fixed, but fair, cost?

So, we began to look at all the various types of fee arrangements. I think quite honestly that a lot of the firms, especially firms up East and on the West Coast, the large mega-firms, they resisted this approach. Therefore, clients were looking for alternatives. We were there and able to increase our market share because of it. Let me be clear that there are some clients who prefer to be charged on a billed hour basis and we do that. But the trend is away from that.

Is that usually a savings for the client, or is it a matter of predictability?

Clark: It can be both. It is a savings for some clients. After all, if they're shifting from a New York City firm to a firm that's based in the South, hourly fees are going to be less. Before the recession, a company that was using a New York City firm, it was hard to get your foot in the door and get that work if you were based in the South. Now, they say to us, we've discovered a good lawyer is a good lawyer, whether they're sitting in New York City or sitting in Nashville, Tennessee.

Elrod: Business clients do like predictability, and alternative fees provide that. It's another thing about Butler Snow that attracted us to the firm.

How is technology changing the practice of law?

Clark: If you're going to play at a certain level, you have to have the technology to match up with your competitors and also your clients. We think technology is a great equalizer in the ability of firms to deliver services effectively and cheaply.

Does it cost money to do that? Absolutely. But it also helps the clients. We were one of the first firms nationally to go essentially paperless. All of our files are scanned in and available for viewing by any attorney at any computer located wherever. The most cost-effective and expertise-effective lawyer can work on that file regardless of where they're located.

Nowadays, video conferencing has become fairly commonplace. There are so many other aspects of technology that are expensive but in the end help deliver cost-effective legal services. We have an in-house courtroom with video — and technologically equipped — so our litigators can practice trials and beam it back to wherever the client is. It also helps with training associates.

I've heard stories of young associates at a law firm working 60 hours a week to get their billable hours. Personal lives suffer, marriages suffer. Does this totally change the culture inside the firm?

Clark: We think so. We recognize everyone needs a quality of life. We certainly would not consider ourselves a sweatshop. Don't get me wrong, they still have to work, but it's not driven by the billable hour requirement.

Elrod: Technology also contributes to lifestyle balance. Because having full access to paperless files from any location means you can be at home, and if necessary, be working or tending to clients' needs. Technology contributes not only to getting work done for the client but contributes to the firm's culture of teamwork and accessibility.

How is the relationship changing in other ways between law firms and business clients?

Clark: Clients now are appreciating firms that partner with them, that share the risk, so to speak. To the extent you can form a good relationship to keep a client out of trouble, that is far more effective than having to litigate a matter or dealing with something after it happens.

The other thing I've seen dramatic change in lately is the need for clients to have access to the government at the local, state and federal level. Most businesses can tell you, with all the promulgation of so many rules and regulations, it can lead to all kinds of problems. So you have to have the expertise, the know-how and the access to be able to advise clients going forward.

Elrod: Businesses are much more cost-conscious about everything these days. I think that's a permanent change. It has contributed to the phenomenon that Don alluded to of lawyers needing to be partners with their clients from the very beginning of any situation.

The firm is known for its effective government relations practice, which includes former Mississippi Gov. Haley Barbour and now former Tennessee Congressman John Tanner. Mr. Barbour's a Republican, Mr. Tanner's a Democrat. Do firms need to have someone from both sides of the political aisle?

Clark: In Washington, at the federal level, you see firms up there that pretty much have to be either on the Republican or the Democratic side, not necessarily both. However, at the state capital level, and at the local level, I think you have to have people from both sides. I think it's necessary for a firm like ours that deals in government relations or represents clients in any governmental matter to have access to both sides. That's been our belief, a bipartisan approach.

Last week the firm donated \$100,000 to the Frist Center for the Visual Arts. I wanted to ask about your commitment to charitable causes and the arts. How strong is it?

Clark: The firm is a big believer in supporting the communities where we're located. Arriving in Nashville and going from two attorneys to over 40 so quickly, we wanted to emphasize the fact that we want to be very much a part of this community in all respects, the civic, the charitable and the arts. So we were

very happy to start off our involvement in the community — again, it's only a start — to make a contribution to the Frist Center, which is a great arts facility.

The firm has a definite history with the arts. The firm itself is very involved in art collecting and has a very interesting and prominent art collection that we display in all of our offices. So, it makes sense for us to get involved in Nashville on the arts side.

We will be announcing some initiatives on the charitable side. Certainly, we're going to join and participate in all of the various civic organizations here in Nashville. We're going to be a full, participating part of the community and give back.
