

Leading Disruptive Change

An Interview with
Richard A. Rosenbaum, Executive Chairman, Greenberg Traurig

EDITORS' NOTE *Richard Rosenbaum has been with Greenberg Traurig for 32 years and was its 90th lawyer. He has served as associate, shareholder, managing shareholder, regional operating shareholder, President, CEO and, now, Executive Chairman. He has spent many years developing the law firm, working closely with founder Larry Hoffman and Senior Chairs Cesar Alvarez and Matt Gorson. In his current role, he closely partners with Brian Duffy, the firm's CEO, and is primarily responsible, with Duffy, for shareholder compensation decisions, as well as for overall firm strategy and operations and development outside the United States.*



Richard A. Rosenbaum

FIRM BRIEF *Greenberg Traurig (gtlaw.com) is a 2000-lawyer firm in 38 cities worldwide with a major presence in New York, Miami, Chicago, Atlanta, California, Texas, Washington, D.C., and elsewhere in the U.S. and in nine key locations outside the U.S. The firm is top tier in a number of areas, most notably real estate and related corporate and tax areas, litigation, and especially class action defense, products and medical device liability, financial services/broker-dealer defense, patents, fraud and white collar criminal defense and related investigations, as well as M&A, private equity, and capital markets (particularly in the upper-middle market), media and entertainment, and labor and employment. It also handles Latin American transactions, tax, bankruptcy, restructuring, public policy, and governmental/administrative law.*

Is disruption taking place in the legal profession and how is Greenberg Traurig leading in this environment?

This question is no longer subject to debate. It is now about who we will be in three to five years and how we will be sufficiently responsive and differentiated from our competition. We need to ensure that important clients at all levels will want to hire us and that high-level talent continues to desire to work here. We are leaders and will continue to be so because this disruption excites and creates opportunities for us, it does not threaten our base. Change is an essential part of our culture; but we must focus more tightly on our strategies, better differentiate ourselves in our markets, and execute, execute, execute.

Although you have been talking about change for a long time, there suddenly seems to be a lot of noise about it. Why is this the case?

It is difficult to remember when I started speaking and writing about change in the legal profession, but it was decades ago. Greenberg Traurig was literally made possible by changing client and talent demands. We distinguished ourselves by understanding that change never stops. Every successful business must continually change while holding true to the core values that define it. Early

on, we saw that the next jump in disruption was going to be multidimensional and extraordinary. It was not going to be about how big we are or where we are located but, instead, would involve a fundamental change in what we are, how we deliver services, and why we deserve to be hired. This requires a mindset of change, collaboration, investment, focus, and vision beyond anything that had been required in the past. It is about technology, artificial intelligence, a break from traditional thinking about staffing and lawyer tracks, and new job roles like project managers and budgeting specialists, project lawyers, etc. It involves change in how much space we use and how we use it, and addressing other fixed costs. We must evaluate how we better support the needs of partners with growing in-house legal departments with a diverse, high quality, and highly motivated workforce paid fairly under a merit system.

Why is Greenberg Traurig so uniquely positioned to adapt quickly to disruptive change like this?

Throughout our 50 years of existence, we have never been a traditional law firm. Our decisions can be made quickly by empowered individuals who are typically very close to the ground, without involving bureaucracies or committees. We are already in the right locations. We have also worked on our "Independence Day" strategy for about five years, which focuses on an elite level of excellence in our core areas, collaboration, high motivation, entrepreneurship, and empowering lawyers and staff to focus on delivering extraordinary value. We have a merit-based, non-competitive compensation system. However, I still worry about whether we are moving and investing fast enough, as our competitors expand to include not only traditional law firms but also accounting firms, in-house departments, staffing and management companies, and even technology companies.

What are some specific things you see happening?

We see fixed costs being moved off the balance sheets by reducing space and using more temporary or project lawyers. We see more active use of robots, artificial intelligence, and all manner of software. We see staffing companies partnering with in-house departments to lessen the need for outside counsel hours where possible. We see very qualified attorneys who are paid on an as needed basis, and bringing quality and real value to clients, rather than embracing traditional standards like seniority, titles, and internal political positioning.

What does all of this mean for a leader of a law firm?

This means that, beyond traditional measures, today's successful law firm leader must remain on top of every advance in technology and systems that increase speed, efficiency, and quality of work product. I emphasize leadership, and one cannot be a good leader today, in law or business, if you have your head in the sand and hope that everything will remain the way it currently is.

What are the special challenges created by technological changes?

There are two key tech issues for law firms to solve. These are the huge cost of always keeping up with the actual hardware and software required, and finding and retaining the right talent who know how to apply what you have invested in. There can be huge costs involved with recruiting, retaining, and paying the expert talent necessary to properly and fully apply the ever-changing technology.

What will all this disruptive change mean for Greenberg Traurig in the next three to five years?

We are working to set the example for the industry and for individuals by addressing a spectrum of needs for clients and for people who want to be part of the "new" legal profession within a framework that still treasures traditional values and what we call the "GT Family."

I have every confidence that we will continue to see change and that change will speed up. This will quickly identify winners and losers, and those who do not have a mindset that embraces change will lose.

We will be one of the firms that can quickly jump into this window of opportunity to be the agents of change who will march into the future and address these needs in close partnership with our clients. ●