

Law Firm Leaders: Loeb & Loeb's Kenneth Florin

By Sam Reisman

Law360 (October 17, 2018, 4:47 PM EDT) -- Kenneth R. Florin took over in February as chairman of Loeb & Loeb LLP, the firm he joined as an associate in 1992 and where he made partner in 2000. During the 25 years before his election to the firm leadership, Florin helped spearhead Loeb & Loeb's advanced media and technology practice, which sits at the intersection of advertising, intellectual property, privacy and payment technologies.

Florin recently spoke with Law360 at the firm's Manhattan office to discuss the ways in which Loeb & Loeb and the legal profession at large have evolved, and why he thinks some of the most significant changes are still to come. This interview has been edited for length and clarity.

How has the firm changed since you joined?

I think it's grown significantly in just about every area of specialty. I think it's become much more sophisticated in its areas of practice, where we can really claim now to be the best or among the best in areas like media and technology, real estate, trusts and estates, certainly entertainment, areas of litigation and corporate, many of which didn't exist when I started. We've grown meaningfully geographically. When I started we were in New York and Los Angeles. Now we're in Chicago, D.C., Nashville, San Francisco, Hong Kong and Beijing.

What were your priorities going into the first term as chair?

I wanted to make sure that we were as connected as possible as a firm. I think departments are an administrative necessity, but that ultimately the business of our clients requires that we work very extensively together. For example, if you think about the future of real estate and smart cities, that requires the heavy interaction of real estate and technology lawyers, who are in different departments, who will find themselves working together.

The same will be true for how content is distributed — our entertainment department working with our technology department. The growth of family offices and the business that they're doing requires the interaction of corporate and trust and estate lawyers. And I think to the extent we do that well we



Kenneth Florin

Loeb & Loeb
Chairman

become really unique and uniquely positioned to service our clients in the modern economy.

I think that becoming more diverse and more inclusive is critical, and also making sure that we are building an enterprise that creates an environment in which people can reach their ceilings in a way that's consistent with their own ambitions and lives.

Specifically, what policies or steps have you taken to improve diversity and inclusion at the firm?

We've done quite a bit and still not nearly enough. I think that there are a number of things that I can point to that I'm very proud of. We have women as office managing partners in New York and Los Angeles, our two largest offices. We have a woman running our Nashville and San Francisco offices, and the head of recruiting in D.C. is a woman. We've created a position of chief diversity partner, a woman named Nerissa Coyle McGinn, who is in Chicago. And we just hired a diversity manager on staff as well to make sure we have the resources to do the things that we need to do. We've adopted a diversity strategic plan, which is a step-by-step plan toward us becoming more diverse and more inclusive, and it makes it very clear that management at both the firm level but also the department level have a responsibility and obligation to advancing the causes of diversity and inclusion. We've also adopted a firm cultural statement as to how we respect one another and create an environment in which diverse perspectives are embraced and valued. We've done many other things. It's important. It's the right thing, and it is necessary in a modern business.

Why is it 'necessary'?

I think it's necessary because the work product that comes out of diverse groups is better. And we're in the business of servicing our clients and giving them the best possible work. And you will not get the best possible work if it's not reflecting the thoughts of a diverse group of people whose ideas are equally valued and part of the work product. I also frankly think it's what clients expect and are making clear that it's their expectation, that they also believe that it's the right thing.

What are some of the most significant ways the client-firm relationship has changed and how has Loeb adapted as a result?

I think the way that clients work with and manage their law firm relationships in many different ways — whether it's the involvement of procurement, the types of billing relationships, the novel arrangements in terms of staffing and fees, secondments. All of that has vastly changed the client-law firm relationship. I think what we try to do first is listen to our clients. We try to understand what it is they want. We've actually institutionalized that. We have something that we call "voice of client" where we engage in really deep discussions with our clients as to what they want, what their expectations are, because it is not one-size-fits-all. They all want something different. They all need different things. Some are looking for new ways to access our talent, whether it's secondments, whether it's defining client teams. Others are looking for more fee certainty. So the first thing is understanding what the client wants. I think every client wants greater efficiencies. And we are working really hard in terms of developing, investing in technology, whether it's AI-type products, task management software, billing software. There's an array of different technology solutions. We are also looking at how we staff matters, using contract lawyers in some cases and different arrangements that try to make sure we are being efficient while at the same time maintaining a very high level of service. What I ultimately want to make sure of is that the end product for us is a level of service that is better than our clients can receive elsewhere, that there is a Loeb standard of client care that is the best they can find.

What are the biggest challenges facing the legal industry and large law firms in particular?

I think technology changes present some of the biggest challenges. Obviously, I come out of the media and entertainment space, so I see that. And I think that that exists now and will probably accelerate in the near future, in terms of whether that's artificial intelligence or other technology. I think the way to address that is by embracing it and finding ways to absorb it into your workflow and your work product, to deliver efficiency and a better work product. I think that we're challenged by non-law firm legal providers, accounting firms and the like, who can deliver low-cost and in some areas quality work, which pushes us to provide better work and more efficiency.

Should we kill the billable hour?

I don't think so. I think there are many clients who still want the billable hour. So I think there is still a place for it. I think what we need to be is flexible. We need to be creative, and there are lots of different ways to skin that cat.

I think at the end of the day, relationships are the most important thing in business. Understanding the people you work with, whether they're your colleagues or clients. And I think you need to have a very honest dialogue with your clients and come at it in the spirit of partnership. In some cases it's certainly about the amount of the fee, the timing of the fee, whether or not it's discounted. There are all sorts of things that go into assessing what makes sense. I wouldn't kill the hourly fee. I think what I would do is make it one part of an arsenal and not the only part.

Do you think the U.S. will ever allow outside investment in law firms, and should it?

I don't know. A lot has changed in the U.S. in ways that I wouldn't have anticipated just a couple of years ago. I would say probably not to both parts of your question. I think that while there may be something attractive about outside capital coming in — there are certainly businesses that require an infusion of capital — we're still a profession in the sense that our work for our clients has to take precedent and the ethics of our business have to come first, so I probably would say no to both aspects of your question.

In the first few months of your being chair, did anything surprise you about the role and responsibilities?

There's been a lot. It's certainly a learning experience. I think it's been a wonderful experience. I don't know if this is a surprise, but what you learn is that there is a myriad of perspectives on just about everything. And you're heading up an organization, you really need to listen, and just how important that listening skill is. Because you come into it with your own set of ideas and values, and you may think you march forward and some things seem perhaps clear or obvious to you. But there are often different ideas on the same subject, and often very good ideas that are different. So that pause to listen is important.

What was the last book you read?

"Leonardo da Vinci," by Walter Isaacson. I did not know that Leonardo da Vinci was illegitimate, among many things I did not know about him. I did not know that had he not been illegitimate, there's a very real chance that he would have become a notary, which was what his father was and what generations before him in his family had been. But because he was not legitimate, he was given room to think about other things, and as a consequence we have Leonardo da Vinci.

What keeps you up at night?

Whether I've missed anything in terms of trying to make us better, and are there better ways to do things. And is there something else that we should be trying, whether it's with people here or our clients. I'm not a big sleeper to begin with, but when my mind starts trying to navigate through a new idea about how something could be done, that's pretty much it, I'm up.

How do you think the firm will look different in five to 10 years?

Our core strategy is to be the best firm or certainly among the best firms in the world for servicing clients in the modern economy, and I think that involves a philosophy that we are not going to try and do everything, but where we are, we're going to work very hard to be the best. What we're going to see is firms will drive toward either being the cheapest or the best. It would be hard to be both. We're going to drive toward being really efficient and the best. And that will involve continued collaboration and even greater collaboration across departments. And relying heavily on our excellence in real estate, entertainment, media and technology, trusts and estates, which we think are all drivers in the modern economy, and real excellence in the corporate and litigation spaces, particularly where they intersect with those other areas. So that we'll provide a suite of services that other firms can't offer to service clients where their needs will be most dramatic in an evolved and modern economy. And when I say modern economy I envision a broad umbrella that covers an array of specializations but with an understanding that the greatest needs will be in the areas of greatest change.

--Editing by Jill Coffey and Alanna Weissman.