

LAW WEEK

COLORADO

Firms Try Startup Model

By **Tony Flesor**
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ONCE YOU unwrap the image of the successful startup, whether it's Facebook or Chipotle, the core is an innovative idea with a founder willing to take the risk to make it work.

And yet, law firms are left out of the startup world.

After the recession, lawyers have been pushed into finding new ways of working outside the traditional concept of a law firm.

Both of Colorado's law schools have emphasized the need for students to develop business skills and an entrepreneurial spirit. In Law Week's July 14 managing partner roundtable, CU School of Law dean Phil Weiser said the recession was the "undoing of the old model of how law firms operated."

Law firm hiring has continuously declined since the recession, and at the annual conference for the National Association for Law Placement in April, executive director Jim Leipold said hiring numbers are unlikely to return to pre-recession levels.

American Bar Association law school graduate employment data showed fewer graduates were going to law firms — 36 and 32 percent of DU and CU graduates respectively — though employment in general is ticking up after the recession.

The current legal job landscape shows that creativity is key. Entrepreneurial-minded lawyers are finding success outside of the traditional paths, and several young law firms are showing lawyers can innovate and perhaps show that startups exist in the legal world.

Social entrepreneurship

Jason Wiener took a winding path out of law school before he started his own boutique legal and business consulting firm in January. He took a lesson from his brother, Bruce Wiener, by focusing on a gap in the market offering the full range of legal services to startups, from incubation to exit strategy. Beyond that, he focuses his work on social enterprise, a personal passion of his.

Social enterprise is itself a relatively new notion in the business world, and the concept carries from his clients' work to his own.

The conventional notion in business, and in law, is that a corporation's primary duty is to maximize its profits for its shareholders. The countervailing force, he said, is social enterprise, the idea of cooperative ownership and that corporations can promote social and environmental value as well. He said he works to take that as close



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to its logical point as possible — democratizing a business' strategy and structure and using legal tools to make that model viable.

Wiener uses his experience from working as general counsel to Namaste Solar, itself an employee-owned company. He said the company had never had an in-house lawyer, and he had to learn on the job by creating his own support network in the community. Without any kind of legal assistance at Namaste, he has learned to function independently, and brought the company's outside counsel bills way down.

His experience at Namaste taught him what he needed to start his own practice focusing on social enterprises. Now, he continues to work as general counsel at Namaste as well as running Jason Wiener, P.C. and teaching at Colorado State University's global social and sustainability enterprise MBA program.

"I had seen the shortcomings of a legal model that comes in late in the game to solve a problem that has already started to cause damage," he said. His goal is to be part of the conversation with his clients and part of the strategy and solution to those problems.

He puts the concept of social enterprise to work at his law firm by keeping open channels of communication with his clients and viewing himself as their partner. He is environmentally conscious in his work by running a paperless office.

He said he also focuses on the "continuum of innovation." Looking at the work of his clients and himself, he sees that the status quo is being questioned and scrutinized everywhere.

"Innovation has to be a core value to a business," he said. "It's not something you tinker with, it requires constant self

examination and constant commitment to development."

The virtual office

Now past the stage where it could be compared to a startup, family law firm Goldman Law has explored a new way of operating and has been successful at it since 2009.

Scott Goldman, founder and managing member at the firm said he never intended to run his law firm as a virtual office, but it developed that way as a practical solution. He needed an office, and someone pointed him to a virtual office, where he and fellow attorneys could work remotely without the overhead of an actual office.

He said with a real office space comes a fixed cost of \$3,000 to \$5,000 a month just for rent, which could be spent on marketing instead. An attorney from another firm told him that their rent was in the ballpark of \$10,000 per month.

"How many clients do you need to bring in to make up for that?" Goldman said. "That's an astronomical number to overcome before your business starts to become profitable."

Goldman works remotely with four other attorneys using reserved office space in Cherry Creek and Denver Tech Center when it's needed. He said the virtual office provides a work-life balance that wouldn't be able to be had if they were confined to a real office. Attorneys work from wherever they are able, whether it's Boston, the Cayman Islands or in town. And if someone wants to go golfing or skiing during the day and catch up on work at night, they can, he said.

It's possible through common technology, such as Google Drive and Google

Voice, and calling someone on their cell rather than walking down the hall for something that needs to be done right away. Billing is done in the cloud also.

Goldman said the savings he gets from not having a brick and mortar office is passed along to his clients in the form of lower prices.

The nonprofit law firm

Bridge to Justice was formed in order to fill a gap in the legal services market. The nonprofit law firm offers legal services on a sliding-scale pricing model to those who can not otherwise afford them and don't qualify for free legal aid.

Bruce Wiener, executive director of Bridge to Justice, said the nature of the firm's work isn't innovative, but the manner in which its providing it is.

Bruce Weiner and Michelle Haynes, co-founder and staff attorney, started the firm last year after the closing of Boulder Law Shop, a for-profit law firm with a similar mission. They had both worked there, and Bruce said they helped hundreds of clients and felt they were making a difference in their lives. Bridge to Justice was a way to spin off their work as a nonprofit.

Haynes said she believes the new firm is one of the first to offer unbundled legal services in Colorado, and they reach a specific market that would otherwise be left without representation.

Free legal aid through the government comes with specific requirements: those who use it make up to 125 percent of the poverty line, and roughly half of who apply are turned away. There are also several types of services that aren't available.

Haynes said their firm is just trying to meet the need for lawyers that isn't otherwise being met.

"I think the traditional model of law is excellent, but modern times are calling for new kinds of innovation and new ways of practicing so people can have lawyers and lawyers can have clients," she said.

In the 15 months since it opened, Bridge to Justice has served 300 people across the Front Range.

Bruce pointed out that inaccessibility to the legal system is not just a problem for poor people. It's a problem for the courts and the judicial system, he said. The No. 1 issue he hears in the courts is the increasing number of pro se litigants, which makes the court system inefficient for everyone.

By offering consultations and unbundled legal services, they believe they've found a unique niche that benefits their clients and the legal system as well. •

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