

5 Reasons Large Companies Are Turning To Boutique Firms

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The “Great Recession” has had widespread effects on how “corporate America” handles its litigation needs. One of the enduring effects of the “Great Recession” on the legal industry is the client’s goal of receiving quality legal services at a reasonable price. That is the very definition of “value.” Value is what clients, especially large corporations, want most today. And value is the reason why many large corporations have been turning to “powerhouse” boutique law firms, as opposed to the traditional, large national or regional law firms, to service their litigation needs. The boutique firm, by industry custom, is typically a small or mid-sized firm specializing in a few practice areas, as opposed to the large national or regional firm with hundreds or thousands of attorneys in a multitude of practice areas.

There are countless large firms nationwide and worldwide that provide excellent legal services to their clients. This article in no way disputes that fact. However, this article highlights the five primary reasons why large corporations have been turning to boutique law firms and why boutique firms deliver exceptional value today.



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1. Boutique Firms Provide “Bang for the Buck”

Boutique firms have something that many large firms don’t have — flexibility. What does that mean for the client? It means more flexibility to provide discounted rates from the top (for partners) to the bottom (for associates, paralegals and other support staff). It means more flexibility to staff cases on a “lean-and-mean” basis with a senior attorney and a junior attorney, as opposed to an army of suits. It means more flexibility to meet a client’s requested budget, no matter how large or small. It means more flexibility to have lower overhead and thus lower internal costs. It means more flexibility to reduce or even waive standard expenses, such as photocopies, facsimile transmittals and legal research.

These examples of flexibility ultimately equate to the same high-quality legal work provided by large firms, but at lower costs. That means significant “bang for the buck,” and ultimate savings, to the client, and explains the growing trend for large corporations hiring boutique firms to curtail legal expenses.

For example, a large corporate client may have reoccurring legal matters that require the same overall response and strategy in resolving and/or litigating. With so many matters, the budget for each is likely

limited or capped. A boutique firm, with the above-described flexibility, is better positioned to meet that client's needs and expectations.

At the end of the day, boutique firms can provide the same high-quality work as large firms, but at discounted prices. That means exceptional value to the client.

2. Boutique Firms Try Cases

Clients in litigation need a firm with trial lawyers. Boutique firms are often the best answer for that. Boutique firms often go to trial more often than large firms. Accordingly, it is often the case that boutique firms have a higher percentage of trial lawyers than large firms. And it is also the case that boutique firms often see the courtroom more frequently than large firms, meaning more exposure to judges, who know and see those attorneys regularly. And because boutique firms offer tremendous flexibility for keeping costs as low as possible for the client, boutique firms are better positioned to limit the total costs when trying cases. That, again, means exceptional value to the client.

3. Boutique Firms Have Niche Practices

Boutique firms can offer specialized practice areas, or niches, of the law. Have a title issue? A boutique firm may be your answer. Have a bankruptcy quagmire? A boutique firm may be your answer. Have an international arbitration dispute? A boutique firm may be your answer. The niche practice can be the difference between winning at trial or creating enough leverage for a favorable settlement. Therefore, boutique firms not only can provide the same depth and expertise as large firms, but can also exceed it. Again, that means value.

4. Boutique Firms Have Winning Resources

Every firm's resources ultimately boil down to the quality and experience of its attorneys. A quality firm, whether large or small, has excellent attorneys. However, boutique firms often have a clear advantage over large firms in training and mentoring younger attorneys from Day One. What does that mean? At boutique firms, younger attorneys are getting more hands-on experience immediately, which, in turn, allows younger attorneys who are billing at lower rates to run the case's day-to-day activities with minimal supervision from senior attorneys. That means quality case administration at a fraction of the large-firm price. Again, that means exceptional value to the client.

5. Boutique Firms Typically and Increasingly Have Big-Firm Refugees

The departure of attorneys from large firms to boutique firms, like in our case, is a trend that has increased as a result of the "Great Recession" and its aftermath. Boutique firms with partners who previously worked at large firms understand the potential large-firm pitfalls: high billing rates (which is costly); high overhead (which is costly); staffing cases with layers of partners, associates and support staff (which is costly); researching every potential issue in the case (which is costly); and sending multiple attorneys to every hearing and deposition (which is costly). Boutique firms with partners who came from large firms understand how clients have become more sensitive to these pitfalls, and the need to staff every case for efficient administration and effective resolution.

Conclusion

The reality is that clients are more concerned with the bottom line these days. Costs are more important

now to clients than they have ever been before. The goal is to resolve each matter as efficiently, cheaply and quickly as possible. That, again, means exceptional value to the client. The boutique law firm has been, and likely will continue to be, a resource that is called upon more frequently in order to achieve that goal.

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