

Creating Barclay Damon: Lessons From A Law Firm Merger

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It takes some law firms longer to launch a new website than it took Hiscock & Barclay and Damon Morey to decide to merge operations and successfully combine.

By way of background, Hiscock & Barclay, for which I served as managing partner since 2000, was in early 2015 a 210-attorney, full-service firm with 30 practice areas and offices throughout New York and in several nearby major markets. The attorneys, particularly the 40 in Buffalo, were well acquainted with, and had great respect for, Damon Morey, a Western New York firm well known for its excellent work in a number of areas, including litigation, corporate, health care and labor and employment.



John P. Langan

Over a fateful lunch in late January 2015, Jim Domagalski, then Hiscock & Barclay's Buffalo-office managing director, and Peter Marlette and Chris Greene, who led Damon Morey for many years, began exploring the benefits and likely challenges of joining forces (more to come on our challenges). Peter later would admit they took the meeting simply to be polite. I was in town the next week for an annual dinner with our associates, and Peter and Chris agreed to a second meeting. Ten days later, both management teams were face-to-face in Rochester for a Saturday meeting. Less than four months after that, we reintroduced ourselves to the world as one firm, a combination with new bench strength, enhanced practices — and a new name: Barclay Damon.

In truth, merging operations with other firms was nothing new to legacy HB. At the time talks began, we had an 18-year history of doing deals, integrating laterals from small groups to whole firms of five to 50 lawyers. Even with this experience, I'm not sure either firm was ready for the wild ride to come. Now, celebrating our one-year anniversary and the creation of the largest firm in the Northeast not centered near a major market, we are honored to be invited by Law360 to share some lessons learned.

Challenges — Yes, There Were a Few

Legacy HB was founded in 1855, and legacy DM in 1917. Bringing together two firms of such long histories meant combining cultures, philosophies and ways of doing business that were deeply rooted. Added to that, we were combining two IT systems, two accounting systems, and two ways of handling many other administrative functions. From a practical standpoint, things weren't made easier by the fact that we were combining two firms with different fiscal year ends.

The new Buffalo office, growing to be our largest office location in the upstate New York platform at 105 lawyers, presented its own set of challenges. While we are now all under one roof in Buffalo, we started the combination with two legacy spaces in the downtown business district. Even the logistics of getting people together for a gathering or to discuss client matters was made difficult by our separation. While only a few blocks apart, sometimes it seemed like the Buffalo locations were in two different parts of the country.

No surprise to hear that a law firm merger changes the dynamics of both existing firms. When group dynamics at the office, group or even firm level have become stale or intractable on some issue or another, change can be a good thing. Change brings disruption, anxiousness and heightened energy. Challenging to be sure, but this energy can be channeled for the collective good of the emerging group. The leadership team of a new combination makes its money by taking the opportunity when everyone is most nervous and on their heels to find positive ways to make change work for everyone.

How We Made it Work: Lesson #1

We learned our most important lesson right off the bat: communicate, communicate, communicate. In person, by video conference, by phone, by email — the blood flow of a successful integration is information shared among all lawyers and staff, regularly and lots of it. As Chris Greene mentioned at the partner retreat held well into integration, “We saw that communication at all levels was critical. When information was shared, it eliminated problems; when information was missed, it caused unnecessary delay and questions.”

Getting people together, in person, is ideal. Firm gatherings, partner retreats, associate retreats, practice area meetings, office lunches, meetings at all levels of attorneys and staff, small groups and large all play a role. Communication is imperative during periods of stress and confusion and it’s the starting point for the development of new personal and professional relationships. We were lucky because within 45 days of the deal, we were able to get all the attorneys together at the famous Otesaga Hotel in Cooperstown, N.Y., for what had been a previously scheduled summer event.

Lessons #2 - #10

In no particular order:

- Lawyers can be funny creatures, conservative in their thinking, skeptical, and set in their ways. But they are smart and practical once they see the way the winds are blowing. One key to integration is setting a clear course of action and being consistently transparent about following it.
- We learned one lesson only in retrospect. Go out of your way to mix things up, whether by necessity or simply for the sake of creating new groups and sources of energy. The tendency is to be the least disruptive you can be in selecting new group leaders, teams, office locations, etc. Resist that impulse, and scramble the eggs — longer term, it will make for a better omelet.
- Balance patience and persistence. Unlike in a corporate environment, you cannot simply tell attorneys to do something new — and you certainly cannot tell lawyers engaged in long-standing practices to do things differently. You must explain why it should be done differently, actively listen to concerns and

some inevitable challenges to the new approach, remind them regularly about the new way, and then continually celebrate successes and manage instances of noncompliance as you help them follow the desired path. It's exhausting but can be accomplished by finding the right balance of patience and persistence.

- Integrating presents valuable opportunities for the legacy firm in greater control to question its own systems and practices before insisting blindly on doing it "our way." Comparing operational methods gave us many opportunities to trade up on best practices. In the words of Nancy Smith, our Western New York regional office director, "Taking the 'best of the best' of each firm, whether it be public relations practices, HR initiatives like our wellness program, benefits, or diversity and inclusion programming, helps to eliminate an 'us versus them' mentality."
- "Look deeply at differences in culture right from the beginning," Peter Hotchkiss, our IT director, said. "And spend time preparing the people who are expected to change for the coming changes."
- Peter Marlette and Jim Domagalski, as the co-leaders of the new mega-office in our network, had the same advice, having done so much to establish a high-energy, high-performing office in less than 12 months. "Keep your sense of humor," Peter said, "as nothing helps more in breaking stressful moments and other challenges."
- "One thing that stands out from the merger," partner Jim Milbrand noted, "is the gestalt nature of the combination of two sets of great lawyers. The whole was truly greater than the sum of the parts. Working together has been nearly seamless. The talents of individual lawyers have not changed, but the collective talent of the firm has increased exponentially."
- Another word on the value of disruption — it gets everyone performing a bit better as new attorney talent becomes available to consider for client and management staffing of projects. We found helpful some innocent competitive juices, causing everyone to step up their game just a bit.
- Bob Lazzaro, our business development manager, learned that strong and consistent internal customer service is key to earning trust from new colleagues. "I found that being very responsive to requests for help, guidance and work product was the best 'ice-breaker.'" Bob added, "When there are many new systems and policies to learn, if you can help alleviate uncertainty and deliver what colleagues need as soon as possible, people can relax a little more and trust that these new systems are there for their benefit. I've received a number of 'thank yous' for what I consider just doing my job."
- On a personal note, as a Syracuse resident since moving back from NYC years ago, it has been fun to spend time in Buffalo, and it has given me a new appreciation for this city. It is a very cool market with so many great companies and new projects. The fact that this historic combination of firms centered in Western N.Y. during such a period of renaissance in Buffalo was serendipitous

— more opportunities for client development and an easy sell to future laterals.

More on the Gestalt Nature of Integrating

From the perspective of the combined firm's leadership team, a great part of integration has been meeting new people with new personalities and new perspectives, which often led to surprising new energy and growth. Partner Roger Cominsky put it well:

"The thing that has surprised me the most has been the effect of change as a driver of new developments in the Buffalo office," Roger said. As a legacy HB attorney resident in the same building for 30 years, he reflected, "Absent the merger, I never would have realized how set we had become in the day-to-day, nuts and bolts of the business of practicing law. Moving into our new, combined office at the Avant Building with our new partners and associates from legacy DM has been like reshuffling a deck of cards. We've been dealt a new hand and are seeing new possibilities and combinations every day."

"New business and ideas didn't just come from legacy DM attorneys," Roger explained, "but also grew from legacy HB people who themselves saw the new cards dealt to them. Together, our combined office and attorneys at Barclay Damon are stronger players, with new energy and ideas at hand as we look at the possibilities before us."

On Barclay Damon's First Anniversary, A Closing Thought

For all the talk about how hard it is to integrate people, we found it's not that difficult as long as everyone knows how important it is going in, leaders are honest and public about the specific challenges, and the new firm understands that the true value of the merger will come from the success or failure of integration. For us, constant messaging (including eight editions of an internal "Success Stories" publication highlighting over 100 separate "synergies" arising from the combination) has been key in creating one unified firm that is considerably stronger than either of its predecessors.

Now that we're settling into life as Barclay Damon, I'm grateful for how far we've come but also a little sad that the excitement of the past year is behind us. Maybe it's time for a new website. I bet we could get it done in record time.

—By John P. Langan, Barclay Damon LLP

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