

THE RECORDER

127TH YEAR NO. 129

www.therecorder.com

MONDAY, JULY 7, 2003



HER OWN PLACE:
Ellen Friedman, who opened a firm with two other women this year, said she wanted more of a say in firm decision-making.

SHELLEY EADES

THINKING SMALL

Search for flexibility leads some women to start their own firms

By Jason Dearen

RECORDER STAFF WRITER

Michele Ballard Miller was tired of seeing the mommy track treated like a case of the mumps.

By the time she quit big-firm life in 1998, she'd become an equity partner at then-Crosby, Heafey, Roach & May.

But even as a partner, she couldn't square the conflicting demands of her children and the firm's clients. Something had to give. So Miller left Crosby and started the Miller Law Group in Larkspur with another woman wanting out of big-firm life.

"The primary reason is the hours we were required to work," Miller explained. "The lack of flexibility made it very difficult to be a mother and an attorney." Downshifting wasn't a workable solution, either. "The idea of the mommy track is absolutely true," she said. "You're not viewed as committed at the firms if you work part-time."

Attorneys who leave behemoths to start boutiques cite everything

from a desire for greater control to hopes for a friendlier culture. But for some women, the flexibility to fit in some family life is a large part of the allure.

This may help to explain why a number of women-founded boutiques have sprouted up in the Bay Area in recent years.

"The in-house route was historically what women looked for when leaving a big firm — it was still considered prestigious, but the hours were better," said Dana Stone, co-founder of 2-year-old San Mateo commercial real estate boutique Steppe, Stone & Lakey. "But in-house jobs have dwindled a bit and the hours have increased."

Stone chose to start a firm with two other women after their employer, real estate investment trust Spieker Properties, was acquired in 2001. The three had fled big-firm life before, and weren't eager to return.

Before going in-house, Stone had been a senior associate at Allen Matkins Leck Gamble & Mallory. Co-founder Pamela Lakey had been an associate at Brobeck, Phleger & Harrison, while Sara Steppe had been a partner at Orrick, Herrington & Sutcliffe.

THINKING SMALL

Stone and other escapees agree it wasn't so much the hours, but the lack of control over when they were required. If the goal is working less, Stone said, starting a business from scratch isn't the way to achieve it.

Hours at Steppe, Stone & Lakey rise and fall with the work. "It comes in cycles," said Lakey, whose firm has since added five lawyers. "During the first few cycles, when the work slowed down we would get nervous. But now, if it's slow for a week or two, we know the cycles and we can appreciate the downtime and find that balance in our lives."

For Ellen Friedman, Cecily Dumas and Jane Springwater, who opened Friedman, Dumas & Springwater in April, the spark had a different source.

The three were happy at San Francisco

'You're doing the same thing as working for a larger firm, but it's your own. It was the next logical professional challenge.'

— CECILY DUMAS

insolvency and commercial finance boutique Murphy Sheneman Julian & Rogers. But that firm's merger this year with Chicago's Winston & Strawn created a conflict with a major client. Rather than take the work to another established firm, Dumas and her colleagues chose what they saw as the next career step.

"It was a new challenge — having a firm where my name is on the door," said Dumas. "You're doing the same thing as working for a larger firm, but it's your own. It was the next logical professional challenge," said Dumas. "I want a legacy

when I retire, and I want to provide jobs and professional satisfaction for the people who work here."

Friedman, who says the firm has gotten off to a good start with work from Hewlett-Packard Co., Cisco Systems Inc. and GE Capital, agrees that "it's not a matter of hours. It's a question of decision-making and being at the forefront of that and being able to set policies."

All three of these boutiques report booming business, attributing that to their ability to offer partner-level services for a lower cost than much larger firms can. As businesses continue to cut costs in a dour economy, many clients are looking to boutiques for lower billing rates, attorneys say.

Andrew McCullough, general counsel of Century Theatres, said his decision to send work to Miller's management-side employment boutique made good sense.

"Having sampled both — we have used large employment firms before — I came into it with perspective," McCullough said. "When she staffed a particular matter we knew we'd have a high-caliber attorney working on it. Michele Miller left a big firm to create an environment that would allow her to charge less."

Miller's firm now has five attorneys — all women and all big-firm refugees — and a client list that includes the Pepsi Bottling Group Inc., Chevron-Texaco Corp., Century Theatres Inc. and The North Face Inc.

Leaving big-firm life to start your own shop isn't without risks. Miller said the first year was tough.

Now, though, she says she makes more money than she did as an equity partner at Crosby, Heafey. While her billing rates are \$150 to \$200 lower than they were, there's less overhead. "If you stabilize your attorneys and client base, most people at boutiques make the equivalent of what partners make at most mid-size firms," she said.

At Steppe, Stone & Lakey, partners charge \$100 to \$150 less than they did at

their previous firms.

Lakey said she and her colleagues made very little money in their first year of business. "We made capital contributions and decided to go for it for a year. We bypassed taking any money from the firm," she said.

Lakey won't say how much she's making now. But, she says, "if I weren't covering my bills and I didn't enjoy the work and the people, I wouldn't do it."

Angela Bradstreet, a former president of the Bar Association of San Francisco and a partner at 76-lawyer Carroll, Burdick & McDonough, wants to see big firms put up more of a fight for women like Lakey.

In her "No Glass Ceiling" initiative, Bradstreet has called on Bay Area firms to offer lawyers greater flexibility. She wants to see part-time programs "with some teeth," adding that the option makes financial sense. "Statistics show that part-time attorneys are equally if not more profitable than full-time attorneys. These days, people are always accessible by cell phone," Bradstreet says. "How is a mother at a playground less accessible than an attorney in depositions for a week?"

Of course, the same could be said of fathers.

Like Friedman and Dumas, Miller and Stone say their firms' lack of gender diversity is not by design. Miller said it's simply that more women than men have applied. "It's just the way it's happened. We would have no issue with hiring anyone competent, but I don't find that many men calling me saying 'that's the lifestyle I want,'" Miller explained.

But for male attorneys hoping to make the jump to one of these boutiques someday, there is hope. Steppe, Stone & Lakey recently hired its first male attorney and Friedman, Dumas & Springwater already has two.

Editorial Assistant Jason Dearen's e-mail address is jdearen@therecorder.com.