



Pat Whalen, chairman
and managing partner
of Spencer Fane.

Photo by Scott Lauck

EFFICIENT GROWTH

**'We always have
run leaner' says
Spencer Fane
chair as revenue
sees steady climb**

BY SCOTT LAUCK

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It's a basic economic rule that people should concentrate on doing their most productive tasks and have someone else to do lower-value work.

A doctor, for instance, is better off spending an afternoon seeing patients than mowing the lawn.

Perhaps that principle underlies the approach that many law firms traditionally have taken to staffing a project: an equity partner joined by a few junior partners backed by associates layered on top of paralegals. It makes economic sense — except, perhaps, to the client who's stuck with the bill.

"I think that model is increasingly misaligned with client demand," said Pat Whalen, chairman and managing partner of Spencer Fane. "Our model has historically been more efficient, and I think that's resonating more and more in the market."

Whalen said Spencer Fane prides itself on assigning fewer but more experienced attorneys to projects. That doesn't mean senior partners are doing basic document review at high hourly rates. But it does mean that the firm gives its clients "actionable advice," Whalen said, rather than "19-page memos laying out 30 different options and weighing the pros and cons."

"We always have run leaner, with more experienced folks," Whalen said.

The approach appears to be reflected in Spencer Fane's consistent growth. In 2016, the firm's revenue was nearly \$73.5 million — a gain of close to \$10 million, or

15.5 percent, over its 2015 figures. Profit was up as well, rising 17 percent to \$32.8 million, up from about \$28 million the prior year.

Since Missouri Lawyers Weekly first began tracking Spencer Fane's financials in 2007, in what was then known as the MOney 15, the firm's revenue has risen 75 percent and its profits have nearly doubled.

Whalen said those figures come not only from its approach to staffing but also from attracting good lawyers. "You don't get all of that revenue and net income growth based on the same legacy folks who were here five years ago," he said.

At one end of the talent

pool, Whalen said the firm hires associates with an expectation that they will be a partner one day. "We don't engage in what I call 'the tournament,'" he said — hiring a mass of associates, most of whom will never make partner.

Meanwhile, the firm also works to bring on experienced lateral partners. The firm's most recent high-profile hire is former St. Louis Mayor Francis Slay, who just opened a new office in downtown St. Louis, complementing Spencer Fane's existing office in Clayton.

The St. Louis location is one of several recent new or expanded offices for Spencer Fane. While some firms have expanded to high-end legal markets in Chicago and on the coasts, Spencer Fane has no offices east of the Mississippi River. Instead, it has grown both within the state of Missouri and in the western United States.

Last year, the firm announced a combination with Denver-based Berenbaum Weinshienk, which doubled the firm's attorney count in Colorado, and also recently opened offices in Phoenix, Dallas, Oklahoma City and Las Vegas. Whalen said that with the firm's growth in Denver, "we just naturally see more opportunities for synergies in Arizona and Nevada, as opposed to Indiana or Ohio."

Whalen said that because those expansions mostly took effect in late 2016 and early 2017, they aren't reflected fully in this year's financial and headcount figures. In other words, the prospect for another year of growth already has been laid.