

# Rutan & Tucker: An Old Orange Co. Firm Eyes its Future Leaders

By opening in San Francisco and adding assistant practice heads, Rutan & Tucker is appealing to young lawyers.

By Xiumei Dong

**Firm Name:** Rutan & Tucker

**Firm Leader:** Tony Malkani, Executive Director

**Head Count:** 150 attorneys

**Locations:** Orange County (Costa Mesa), Palo Alto and San Francisco (opening in May 2019)

**Practice Areas:** Full-service

*The following answers were provided by Malkani, and edited lightly for style.*

**Governance structure and compensation model:** The firm is managed by an executive committee of three partners, led by a managing partner. The executive committee oversees firm strategy and governance and the executive director, who is an ex-officio member of the executive committee, manages the firm's operations. Each practice group has a partner in the role of department or section head. Compensation is determined by a compensation committee which also includes the three members of the executive committee. The com-

pensation model is largely formulaic and is transparent to the entire partnership.

**Do you offer alternative fee arrangements?** Yes. Alternative fee arrangements are part and parcel of today's legal service environment.

**What do you view as the two biggest opportunities for your firm, and what are the two biggest threats?**

The burgeoning Orange County economy over the past couple of years and growth of new business in the county has created and maintained demand for our legal services. Our reputation as the oldest and largest full-service Orange County law firm with quality lawyers will always attract clients. The threat of a change in market conditions keeps us efficient and cost-conscious. In recent years, we have been faced with the reality of occasionally losing young lawyers to larger markets such as San Francisco and Los Angeles. To alleviate this, we are in the



Tony Malkani, Rutan & Tucker.

process of opening a San Francisco office.

**The legal market is so competitive now—what trends do you see, and has anything, including alternative service providers, altered your approach? Is your chief competition other mid-market firms, or is your firm competing against big firms for the same work?**

Trends in today's legal market include a heightened focus on cybersecurity and a move to artificial intelligence tools. While we maintain a forward-looking focus and continue to invest in technology, we have always

maintained a conservative business model and have been able to provide our clients with quality service which matches that of global firms, but at lower rates. These efficiencies have served us well over time and enable us to maintain a competitive edge. We have not seen an impact on our business by alternative service providers. We compete with both middle-market as well as national and global firms.

**There is much debate around how law firms can foster the next generation of legal talent. What advantages and disadvantages do midsize firms have in attracting and retaining young lawyers, particularly millennials?**

Despite the growth of our firm over time, we have been able to maintain our collegial culture, which makes us attractive to the next generation of legal talent. Our size enables us to be adaptable and nimble and the resulting flexibility of operations helps us attract and retain young lawyers. In our entrepreneurial business model, young associates are assigned challenging work and are not pigeonholed into performing repetitive tasks. We work hard at recruiting and maintaining a diverse work force. The only disadvantage of being a regional

California firm is not having a large international footprint.

**Does your firm employ any non-lawyer professionals in high-level positions (e.g. COO, business development officer, chief strategy officer, etc.)? If so, why is it advantageous to have a nonlawyer in that role? If not, have you considered hiring any?**

I serve as the firm's executive director/COO and bring years of financial and operational experience to the position, having previously worked with both global and midsize firms. I serve as an ex-officio member of the executive committee and as a nonlawyer, am able to dedicate myself full-time to firm management. Other non-lawyer professional positions include a director of finance, a director of technology and a litigation support director. The three partners on the executive committee are practicing lawyers, and enjoy the benefit of being able to shape long-term firm strategy with the support of a professional operations team.

**What would you say is the most innovative thing your firm has done recently, whether it be technology advancements, internal operations, how you work with clients, etc.?**

We have implemented a few innovative programs in recent times. The firm has made huge technological strides in the cybersecurity arena over the past few years. We are actively looking at artificial intelligence tools for research and litigation support. We created the internal full-time position of client relations partner, which has led to more synergistic alliances with our clients.

**Does your firm have a succession plan in place? If so, what challenges do you face in trying to execute that plan? If you don't currently have a plan, is it an issue your firm is thinking about?**

As our long-term partners retire, we have successfully shifted the reigns of management to the next generation. Our current managing partner, Bill Meehan, is one of the youngest managing partners in the history of the firm. We recently added the position of "assistant section/department head" to each practice, which naturally creates a pool of younger lawyers who can be provided an opportunity to serve in future senior management roles at the firm. We also require retiring partners to work on transitioning their clients to others at the firm during their last few years in practice.