

Subrogation Law Firm Management: Controlled Chaos

By Jeffrey M. Baill, YOST & BAILL, LLP

I have been asked to put on a Management session, with another attorney, at the next annual conference on “Managing a Subrogation Law Firm”. While NASP has presented some law firm focused programs in the past, it has never devoted an entire session on this particular topic. I always find it interesting to hear the views of other managing partners. I also think Subrogation Professionals who manage litigation will find it enlightening to hear about the issues faced in the operation of a subrogation firm. To begin preparing for this session, I have started examining closer what it is I do and the various issues I struggle with.

Usually when you analyze a business, you start with looking at their mission statement. This should hold true for law firms as well. What is the firm’s reason for existing? What is their goal?

To me, the next step is to analyze the firm’s culture. What are the core values of the law firm and how are they visible to the outside world? How do you set a tone for the firm? A firm’s culture and mission need to mesh. They are the building blocks of a strong foundation. These, along with creating a positive work environment, are the basics for establishing a solid firm that will last.

A firm must also focus on nurturing talent, setting goals and expectations, and measuring the performance of its employees. These fall into the category of staff development. I have had this conversation with many lawyers over the years. In the subro world, it is not easy to recruit an existing subrogation attorney, as there is not a large pool of experienced applicants. This leaves a manager with one reality; training people to be the great subro attorneys of the future. There really is no alternative.

One of the most important things we train people to do is to develop great relationships, inside and outside the firm. Both are necessary for very different reasons. A good team where everyone is rowing together is very effective. Internal conflict destroys teams and weakens firm results.

In an external sense, developing relationships with clients and other subro professionals is key to expanding a firm’s business opportunities. At the end of the day, people hire people, not firms. That is all based on relationships.

More generally, I will be focusing on an issue I have written about before; the unique challenges in working in a contingent fee practice. It is unique in so many ways that really affect all of the issues mentioned above. We have a need to produce great results with as little cost as possible, both for the client, and our firms. This is a delicate balance that can make or break any contingent based practice.

Certain individuals thrive in this environment, while others are doomed to failure. Figuring out in advance who these people are is an art, not a science. Creative thinking and risk taking need to be rewarded even when they end in failure. There are certainly times we need to try cases we may lose. However, we can’t do that too often or the firm itself will be at risk.

We need to serve our clients' needs while being able to tell them when a course of action they are inclined to take may not be in their company's interests. We need to be able to tell a supervisor that their staff is making a risky decision without undermining the staff member. We really do spend a lot of time walking a tightrope, trying to keep everyone on the right track.

These are just some of the issues Subrogation Law Firm managers deal with on a daily basis. Please send any thoughts you have on this topic, or issues you think would be interesting to address, directly to me at jbail@yostbail.com. Working together, I look forward to an insightful conversation about these issues we all care about. See you in San Diego