

## The economic news is doom and gloom—how is it affecting your business?



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### WHAT IS YOUR BIGGEST CONCERN ABOUT THE ECONOMY?

⇒ The war in Iraq. You cannot finance a trillion-dollar war with a printing press.

⇒ There is a relentless pressure to cut costs, both internal and external. But nobody wants to give up the service that they're currently getting or the quality of the service. Something has to give.

⇒ Regulators and legislators often feel compelled to take quick action. ... We hope that any new laws or regulations do not saddle businesses with unnecessary restrictions, and that those institutions and individuals that have been hit by the downturn are not unfairly blamed or subjected to wasteful litigation.

### WHAT PART OF YOUR BUSINESS IS MOST AFFECTED BY THE CURRENT RECESSIONARY ECONOMY?

⇒ Based on informal conversations with lawyers around the country at bar meetings, many are concerned about whether the ability of individuals to pay for legal services will impact the solo and small-firm practices that they tend to use. Many fear that individuals will instead defer needed legal work.

⇒ [The economy] directly affects our business. The fewer cars the manufacturer sells, the fewer we finance. And if they sell fewer, the more dealers find themselves in trouble as well.

⇒ Activity in some of our transactional practices in the U.S. has slowed. However, Mayer Brown is weathering the current economic downturn reasonably well because of our geographic and practice-area diversity. Our largest U.S. practice—litigation—remains busy.

### WHAT EXPENSES WILL YOU CUT?

⇒ Law firm owners and managers are going to cut out people who cannot earn enough to pay their salary. Firms will not "ride out the storm" by offering less pay for less hours, in order to keep good people on as long as possible, but rather will fire people.

⇒ External expenses, I already have [cut]. The clients would like me to cut more.

⇒ Our expense-control efforts continue to be focused on greater efficiency and productivity. We will not take any actions that would compromise our ability to provide clients with the high-quality work and service they expect from Mayer Brown.

### WHAT ARE YOUR BEST PROSPECTS FOR NEW BUSINESS?

⇒ Bankruptcy, but it will be adversarial rather than procedural; litigation, as clients want to avoid paying for something they cannot use or sell, and the sellers increasingly go to litigation sooner; employee-employer litigation ... as laid-off employees attempt to bring monetary claims for real or imagined past acts.

⇒ [Not applicable.]

⇒ Large multinational companies and organizations. Specific practice areas likely to benefit include regulatory, litigation and bankruptcy/restructuring, among others. The Asia market presents another outstanding growth opportunity, since our presence there is unequalled by any other global law firm.

### WHAT LESSON HAVE YOU LEARNED FROM THE RECESSION OF THE 1990S, AND HOW CAN YOU APPLY IT TO YOUR BUSINESS?

⇒ Loyalty. The firm that works with clients and works with staff and lawyers to ride out the storms is instantly ready to move when good times return, while the firm that fired people as fast as possible had to gear up again, losing valuable time when profits could easily be earned.

⇒ The game is changing, and we have to change with it or be left by the wayside. I have to find a way to work smarter and get my team to work with me—[and] maintain a relatively high morale. It doesn't do me any good to achieve my financial goals if I don't pay attention to employees' well-being in the process.

⇒ Times of economic uncertainty can offer great opportunities for those with the vision to recognize them and the courage to seize them. While we will manage our business prudently, ... we also will continue to invest in expanding our talent pool, broadening our capabilities and extending our geographic reach.