

The ‘Largest Potential for Growth’: A Firm’s Existing Client Relationships

Two recent law firm combinations have boosted Crowell’s bona fides and that’s given the firm the ability to “augment and enrich existing client relationships,” said firm chair Philip Inglima.

BY ANDREW MALONEY

What You Need to Know

- A year after its merger with Chicago IP boutique Brinks Gilson & Liono, Crowell & Moring says additional depth for existing clients is key to success.
- The firm pointed to multiple matters where a legacy client was bolstered by expertise added through combinations.
- Crowell says its mergers with Brinks and Kibbe & Orbe have helped it diversify in the face of economic headwinds.

The Big Law landscape in Chicago has significantly changed lately, with at least eight Am Law 200 firms entering the city since the pandemic, including several through group additions or firm acquisitions.

And the experience of Crowell & Moring, which entered the city a year ago through a merger with IP firm Brinks Gilson & Liono, highlights that law firms are capturing new work in the city by expanding on client relationships from the legacy firms or groups they acquired.

While Crowell leaders acknowledge the growing Big Law competition, the firm is still in a good spot, its leaders say, in part because the firm’s best chance at growing in the Windy City is not necessarily by gaining new clients in the market but by gaining new work from existing clients.

“I think our largest potential for growth is with existing clients,” said Gus Siller, former president of Brinks and now co-chair of Crowell’s technology and IP department. “And both Crowell and legacy Brinks had significant clients in the Chicago market. Crowell had some clients in the Chicago market that Brinks didn’t have, so we’re looking to grow clients in both directions.”

Developing existing client relationships is a common way for firms to grow, said Kent Zimmermann, a law firm management consultant who advised on the Crowell-Brinks merger.

“Merger or not, your existing clients are often the lowest-hanging fruit to develop a firm’s practice,” he said. “But it gets a lot easier when you have excellence in more areas to sell to your existing clients,



Chicago, IL. Credit: Semmick Photo/Shutterstock.com

which is the result in this [Crowell-Brinks] deal and some other deals that have been successful.”

He added that when merger discussions get interesting, it’s often because “each of the firms starts to look and identify what opportunities they’re leaving on the table to serve their own clients that they could capture if they had the other firm’s centers of excellence or strengths.”

Other law firms new to Chicago have also swallowed whole firms or groups, likely with an eye for expanding on those firms’ client relationships. Just this month, Davis Wright Tremaine gained a foothold by joining forces with Murphy & McGonigle, which has advised banks, investment advis-

ers, hedge funds and securities markets and exchanges in regulatory counseling and enforcement defense and litigation. And this year, Washington-based Arent Fox merged with Chicago-headquartered Schiff Hardin, which was ranked No. 163 in the Am Law 200 with total revenues exceeding \$173.9 million.

That's in addition to the flock of new entrants that have established roots here since the pandemic, like Norton Rose Fulbright, Willkie Farr & Gallagher, Dickinson Wright, Venable and Cooley. And the way Crowell's leaders see it, the rush is "absolutely" going to continue.

"Chicago is a technology hub, and it also has a lot of companies in the healthcare industry, and a lot of other technologies," said Siller.

Despite the competition, Crowell partners say they've succeeded in the Chicago market by investing in their existing client relationships.

The combinations with Brinks as well as New York-based Kibbe & Orbe specifically boosted the firm's bona fides in technology, life sciences and financial services. And firm chair Philip Inglima said that's given the firm the ability to "augment and enrich existing client relationships."

For instance, in a dispute involving the Marriott hotel chain, a longtime Crowell client, and online travel agency TravelPass, the company alleged major hotels like Marriott were conspiring to stifle competition in online booking.

The Crowell lawyers on the case were joined by a legacy Brinks attorney who helped handle claims about trademark infringement, and which required some technical knowledge of online search. Inglima said the combination of that expertise had a "direct impact" on the case, which resulted in a settlement.

"I'll just say the settlement terms are confidential, but it ended with a public apology to Marriott from TravelPass, and I would say that's a unique statement," Inglima said. "It spoke to the merits pretty dramatically."

Another matter related to IP work for a multinational investment bank involving algorithmic trading and AI applications in finance, among other things. "None of the three legacy firms would have gotten it on their own, even though it was a major client of Kibbe & Orbe," Inglima said.

Group additions, in general, have been a "formula for success" for Crowell in San Francisco and Washington, D.C., as well as Shanghai, Doha and London, Inglima said.

And while there are significant clients for the firm in Chicago, much of the firm's work goes beyond the city or the region. In fact, the impetus for Crowell linking up with Brinks in the first place was a mutual client based not in Chicago, but in Michigan, Inglima noted.

Although the firm just added Jason Stiehl, a litigator from Loeb & Loeb, the leaders said the total number of lawyers in Chicago is still around 60—about what it was

when the merger was completed last year. They said one of the biggest challenges in a merger is integrating each firm's systems, and that because they opened in Indianapolis (where Brinks had three lawyers) and Denver last year in addition to Chicago, some of their efforts were divided.

Crowell increased its revenue about 0.6% to \$517.6 million last year, but while profits and revenue per lawyer fell, they said they exceeded their own expectations in 2021. This year, Crowell leaders say they're well-situated to handle economic uncertainty, in part because of their recent combinations.

"We lived through the Great Recession back in 2007 through 2009, and our range of practices served us very well then. And it wasn't as broad then as it is now. That's partially because of the mergers with Brinks and Kibbe & Orbe," Inglima said. "The best thing we can do is continue to be relevant to our clients and supportive of them, and help them seize opportunities."

