

Leading Your Law Firm's Creation Of A New Practice Group

By **Marjorie Peerce and Peter Jaslow** (December 13, 2022)

It is not uncommon for shifts in the legal, regulatory and business landscapes to present clients with issues that may be best addressed by a novel amalgamation of firm resources.

Even for experienced and successful practitioners, creating and leading a new law firm practice group — building it from the ground up — will present novel challenges.

That said, our experience as founding leaders of Ballard Spahr LLP's blockchain and cryptocurrency team has convinced us that the rewards are well worth the effort — for clients as well as internally for the firm and lawyers. Along the way, we have learned lessons and developed best practices and recommendations for successfully leading a newly created practice group or industry team.

A sustained commitment, communication and collaboration will be core ingredients in the recipe for success. In return for the effort, it's a leadership experience that not only helps lawyers do even better work for clients, but also helps us grow — as clients' business partners and as lawyers, leaders and teammates.

Eyes Forward

The impetus for a new group will arise from emerging or anticipated client needs. One factor that has made Ballard Spahr's blockchain technology and cryptocurrency team successful is our recognition early on that client needs would span an exceptionally wide array of legal subject matters, and the potential benefit of a new, interdisciplinary team to serve as a one-stop shop for companies in the blockchain and cryptocurrency space.

Not only did we see blockchain technology spreading early on and its potential to enter the mainstream, but we anticipated the diverse legal needs and specialties that were unique to the emerging market. Applying foresight, we collected lawyers from widely divergent disciplines within the firm to create one of the first dedicated blockchain and cryptocurrency practices in the country in 2017.

The takeaway here is to look beyond the four walls of any given matter, and stay up to date on developments in the industry and its intersection with the law. Practitioners must recognize when court cases, state laws, government pronouncements, client discussions and other indicators point to a trending need for legal services not addressed by any existing collaborative lawyer grouping.

Due Diligence

After identifying an emerging legal issue or trend, and before committing to help start or lead a new team of lawyers and professionals, we recommend thoughtful due diligence. The decision to create a new group is a momentous one in an environment where so many other demands compete for attention — for both leaders and members.

Mainly this due diligence involves an assessment of client needs and how they juxtapose



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with personnel and experience at the firm, as well as an evaluation of the potential business development and marketing boost from launching a group.

Outreach within the firm — to relevant relationship partners, existing department and practice group leaders, and others as needed — can help determine whether the benefit of collectively serving clients through a new group is sufficient to justify the effort.

In our case, it was ultimately an easy call. In 2016 into 2017, it became apparent that a new business opportunity was cropping up around blockchain technology, which was rapidly proliferating and included a number of early initial coin offerings. Meanwhile, several regulators, including the U.S. Department of Justice and the U.S. Securities and Exchange Commission, were identifying legal issues in the space.

When an SEC report in late 2017 concluded that digital asset offers and sales may be subject federal securities law, we quickly realized, through internal and external discussion, the potential for an explosion of need for legal services.

Assembling the Team — Building on Strengths

Some members and practice elements of the team will be evident, organic and driven by who is working on relevant client matters. At the time we decided to launch, we were working on an important matter that involved a blend of securities, regulatory and white collar defense law. These became core components of the team.

We then identified numerous additional areas — intellectual property, bankruptcy, corporate transactions, consumer financial services, tax and others — and performed extensive outreach within the firm. Through email, attending existing practice group meetings and personal contact, we identified and invited lawyers with the range of skills and backgrounds to make the new team as strong as it could be.

Our experience is that you need to think about what other subject matter expertise would be helpful or necessary for advising a client in the space and match areas of strength for the firm.

Keep adding to the group as the industry evolves and the firm expands capabilities through new hires. We recently added lawyers to our team from the firm's private client services group because cryptocurrency issues are becoming more common in wealth management.

When recruiting and onboarding laterals, pay attention to skills and experience that may fit with your new practice venture. As word spreads, the new group will attract other colleagues with a relevant interest or specific skill set. When colleagues reach out to ask us, "Do we have somebody who can do X?" we are able to quickly steer them to those who can help.

Consider Co-Leaders Across Departments

We have found it helpful to have more than one leader, so co-leaders can share the administrative duties and fill in for each other as needed. In our case, the new team was a multidisciplinary combination of existing practices, and therefore, we benefited from having co-leaders from different legal departments, one from litigation and one from business and transactions.

For a group with the same or more similar core practices, this likely isn't necessary, but we

still recommend targeting leaders with different strengths — for example, a mergers and acquisitions group may have one co-leader that represents strategic acquirers and another that represents private equity firms.

For a multidisciplinary group, co-leaders with different core practice areas provide a broader perspective at the top. For us, this arrangement has also facilitated efficiency because, over time, we needed to involve people from our different departments, and it was helpful for the leaders to know who can provide support, for instance, on a transactional matter as opposed to a litigation matter.

Communicate Early and Often

To help a new practice group take root and flourish, regular and robust internal communication is important, within the group and throughout the firm. Use email, existing group meetings, internal newsletters and any other means available to make sure your colleagues realize that the firm has this built-in capacity.

Within the group, encourage and facilitate knowledge-sharing. Hold regular meetings and keep the group apprised through regular emails and other communications. Encourage members to report on matters and cases they're working on, new developments and challenges, how they handled a novel issue, or who is the right lawyer to help with an unfamiliar situation.

Externally, talk up your group and be visible in industry organizations and bar associations. Our external outreach and promotional activities include publishing articles in legal and business publications, and giving keynote addresses at universities and law schools and presentations to groups of lawyers with widely varying practices.

Leverage Nonattorney Resources

Use professional administrative staff to help with scheduling, marketing, and other nonlegal tasks and functions to cut down on the amount of time and energy devoted to group leadership activities. Assign someone as the point staff person to coordinate nonlegal functions, since it is likely that you will need support from multiple administrative departments.

Worth the Lift

It's no small matter to build a new law firm initiative from scratch and lead it to success. It requires exceptional legal, organizational and relationship skills, and in that sense, is a great way to grow and expand those skills. Do it right, and clients will thank you — and so will the firm and members of your team.

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