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Virtual law firms break from traditional model

Lawyers find they can bill fewer hours, make more money via a virtual firm

Charlotte Business Journal - by [Will Boye](#) Staff writer

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After three stops, Gideon Moore decided to leave traditional law firms behind and join the virtual legal sector.

Moore, a corporate lawyer, started his career with a huge New York firm, [Cadwalader, Wickersham & Taft](#), and then jumped to increasingly smaller firms based in Atlanta and Charlotte. But he never found the right fit. He also wasn't interested in starting a solo practice.



photo NANCY PIERCE

Local lawyers who've joined virtual firms include (from left) Brian Davis of Virtual Law Partners, and Gideon Moore and Ashley Tison, both of FSB FisherBroyles. [View Larger](#)

So he joined a "virtual law firm" called [FSB](#)

[FisherBroyles](#) last year, and he feels very much at home — literally. During the workweek, Moore splits his time between his house in Matthews and an office on Fairview Road.

FSB got started in Atlanta, but all 56 of its lawyers are responsible for their own office space, whether that's at home or elsewhere. Without the overhead expense, the firm can afford to offer clients much lower billing rates, and its partners get to keep 85% of the work they bring in and complete.

For lawyers such as Moore, that means they can bill fewer hours but make more money than at a traditional firm.

"I had to bill 160 hours per month, and now 80 hours per month is great, and that's generally what I'm doing," Moore says. "That gives me a chance to turn around and go out and spend more time with my clients and go see them where they are."

Brian Davis had been with law firm [Alston & Bird](#) for 11 years when he decided to make a change. Davis, a trademark lawyer, says as billing rates continued to rise at Alston,



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he grew disenchanted with the traditional business model.

“Most of my clients were not using the firm as a whole — they were just using me,” he says. “I felt like I was at a competitive disadvantage with our rate structure.”

In March, Davis joined [Virtual Law Partners](#), an office-less firm based in Palo Alto, Calif., that has 32 lawyers. With his billing rates dropping by a third, Davis says he has added clients who couldn't afford him before. And he also has picked up work through referrals from other VLP attorneys around the country.

“I bill out at roughly the rate of a third-year associate at Alston & Bird,” says Davis, who works from an office on Fairview Road as well.

FSB and Virtual Law Partners focus on hiring seasoned lawyers with experience at large law firms or corporate legal departments.

Virtual law firms aren't equipped for some practice areas that require a large number of associates, such as complex litigation. But for many clients, it's a more affordable alternative to the traditional law firm.

With businesses still working to recover from the recession, nontraditional law firms that can offer legal services at discounted rates are finding a new audience, says John Lassiter, president of [Carolina Legal Staffing](#).

“There's significant expense pressure on corporate legal departments to find ways to reduce costs,” he says. “Clearly at a time when everybody is managing their money aggressively, it opens up a wide variety of styles of practice or access to legal services that were probably unimaginable 15 years ago.”

So far, the virtual law firm model has moved slowly into Charlotte.

FSB entered the market by hiring Moore and Ashley Tison, a real estate lawyer who started his career with [McGuire Woods](#). Tison works at office space he rents from an accounting firm in Eastover.

He, Moore and Davis all say they hope to see their firms grow here over time. The only drawback to the virtual firm, Davis says, may be that's it much more of a solitary exercise than working at a traditional firm.

“I would like to add some attorneys here locally just so I can see someone face to face on a more regular basis,” he says.

QUICKINFO

VIRTUAL LAW FIRMS

•**Hire experienced** lawyers who often work from home, cutting out the overhead expense of traditional firms

•**With lower** expenses, virtual firms' clients enjoy lower billing rates, and the lawyers can keep up to 85% of the revenue they generate.

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