

Law Firm Leaders: Honigman's David Foltyn

By Aebra Coe

Law360 (November 18, 2020, 6:21 PM EST) -- David Foltyn took over as chair and CEO of midsize law firm Honigman LLP, which is based in Michigan, in 2008. In the past 12 years, the law firm has grown by leaps and bounds.

Here, Foltyn chats with Law360 about how his firm has changed over the past decade and outlines his goals for the firm's future, which include "aggressively" and profitably growing further.

This interview has been edited for length and clarity. It was recorded on Oct. 14.

You've been chair and CEO since 2008. During the past 12 years, how has the law firm changed and grown?

I took over in 2008 and it was an existential year, at least in Detroit. GM, which was then and remains one of our largest clients, was facing extinction. It was on the brink of bankruptcy with the possibility of no government bail out. And Chrysler was in a similar position. To add to it, we have a global real estate practice and the real estate market was deeply shaken. So we faced two really serious challenges. We've always had record years and I thought, when I took over in 2008, I would be the first chair who didn't have a record year. We were very strategic.

We took a look at the world right then and we said, the world only ends once. A number of our competitors started to leave Detroit and create outposts around the country. What we ended up doing is we doubled down on Michigan and we set out on a very aggressive lateral hiring program. And we ended up growing dramatically within the state. We opened offices in Ann Arbor and Kalamazoo. We went to the top young lawyers around the state and convinced them that we had a platform that would allow them to grow their practices.

It was an interesting time because of that hiring, but it was also an interesting time because the kind of world that lawyers lived in was rapidly changing. When I started with the firm in the 1980s, we didn't have a fax machine, we didn't have FedEx, we didn't have voicemail, we didn't have cellphones. Lateral hiring wasn't done so much. Clients didn't really leave law firms. And the demands were much smaller. You wrote up an agreement, put it in the mail, it took two or three days for the other person to get it,



David Foltyn
Honigman
chair and CEO

then you got on the phone to talk about it. You didn't have somebody in Asia calling you on their own time. It was a much different world.

Around that time, we took very seriously becoming a value leader. That required us to look at the firm as a business. It means we needed executives, a chief information officer, chief marketing officer — all of the things you see now in firms didn't exist and we created them all with a mind to client value.

Everything looks much different now and the firms that were strategic and got it in 2008 are the firms you see pulling ahead. If you look at the Am Law 200 in 50 firm segments, our view is that within each segment there are a few firms that are separating from all the others. We look at ourselves as separating in our 50.

You recently opened an office in Washington, D.C. Why was it important for the firm to open up an office there and what opportunities for legal work do you see there?

Our growth has really been talent-related as opposed to necessarily the geographic market. I'll start with Chicago, which was a few years ago. We have a number of areas within the firm where we believe we have a global practice — private equity, corporate, M&A, intellectual property and real estate.

We have a great talent pool in Michigan, phenomenal. We've been very lucky geographically historically. We have a lot of lawyers from Michigan who started their careers in New York, LA, or London who get to the point down the road, usually when there's family, when being in a New York apartment with a couple of kids isn't as glamorous as it once was, they come back. What that did for us is it created a roster that looks just like a top 10 global firm.

But as we grew in those areas, we just couldn't attract enough talent to Michigan. So we looked around and we looked at a couple of markets and landed on Chicago. We went to Chicago to attract people in three core areas: private equity, IP and IP litigation and real estate. It was a remarkable success and continues to be a remarkable success.

D.C. had a similar appeal to us. Our lawyers have practices in and around D.C. We work on regulatory issues. We have relationships with D.C. law firms. We know the market. What started us there is Jonathan O'Brien, who runs our IP department, needed additional IP regulatory presence that we were just not getting in Illinois and Michigan. He happened to have a very good friend in Harold Fox, a premier, high-end intellectual property lawyer who Jonathan had worked with years back at the Fish & Richardson firm. We started talking to Harold about his fit within our global IP department and what he sought in terms of planting a flag in D.C. It was clear we had a platform for Harold, it was clear he had a platform to help us grow. We really came to D.C. on a talent strategy.

But now that we're there and we know the market and the market knows us, there's a host of areas in addition to intellectual property that we have need for that are generally Washington-based.

What are your goals for the law firm over the next five years?

A little bit of a history of the law firm, which will help inform my goals over the next five years: The firm has always been focused on the next generation of lawyers.

[Jason] Honigman, [Milton J.] Miller and [Alan] Schwartz created a law firm in 1948, and it was particularly Schwartz's goal to create a large, corporate practice. The goal always was for the next

generation. That's been a core value of the firm since I joined. There was nothing that the founding partners or the generation after them liked more than when a younger lawyer had the client. If the client started calling me, the senior lawyer that was the relationship partner loved it. That remains our core goal: to give the next generation the breaks and advantages and platform that I had.

Specifically, our goals for the next five years are to continue to grow, but to grow profitably. We talked earlier about how much the world has changed since 2008. It costs a lot to run a law firm, it's a business, and the scale to create the first-class infrastructure we need. To have a chief attorney development officer and a substantial staff there just to work with our attorneys on their own careers to help them — that's an infrastructure cost that never existed before. The information strategy, the technology, the dashboards, all of that is expensive.

So having additional revenue to scale that off of, we could increase our revenue by half and have no extra costs. Our goal is to grow and grow sensibly, to grow profitably and to take advantage of our financial strength. We have the liquidity, we have the financial strength, we don't borrow. Now is the time for us to aggressively keep building our practice.

If you could have lunch with any well-known lawyer, alive or dead, who would it be and why?

I think for me it would be Clarence Darrow. First of all, he attended the same law school I did, the University of Michigan. All of us who do what I do had some moment or moments where they knew they wanted to be a lawyer. One for me was reading "Inherit the Wind" about the Scopes monkey trial, which taught me to admire Clarence Darrow. When I learned more about him and his passion for social justice — one of his great cases was the Sweet case in Detroit where he represented a Black physician who was defending his home and accused of murder. He was such a remarkable lawyer. I just wonder, if he was living today, watching what we watch on the television, reading what we read in the newspaper, I just wonder what his take on the world would be.

--Editing by Nicole Bleier.