

# Daily Journal

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## Team Building

Valensi Rose takes pride in its workplace camaraderie; when business slowed, the firm refused to fire employees and cut partner pay instead, even for equity partners.

By Ryne Hodkowski  
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**L**OS ANGELES — Walking through the halls of Valensi Rose PLC, you might feel as though you're witnessing a tightly knit family as opposed to a 60-year-old law firm at work.

Arlen R. Gunner has worked to foster a familial atmosphere at the Century City firm since taking over as its managing partner in 2004.

About seven years into his legal career, Gunner said he turned down a partnership at Blank Rome LLP in New York and instead moved to Los Angeles. Before he did, he asked a partner to describe the advantages of the position.

"I will trust my wife and kids with any one of my partners," Gunner recalled the man saying.

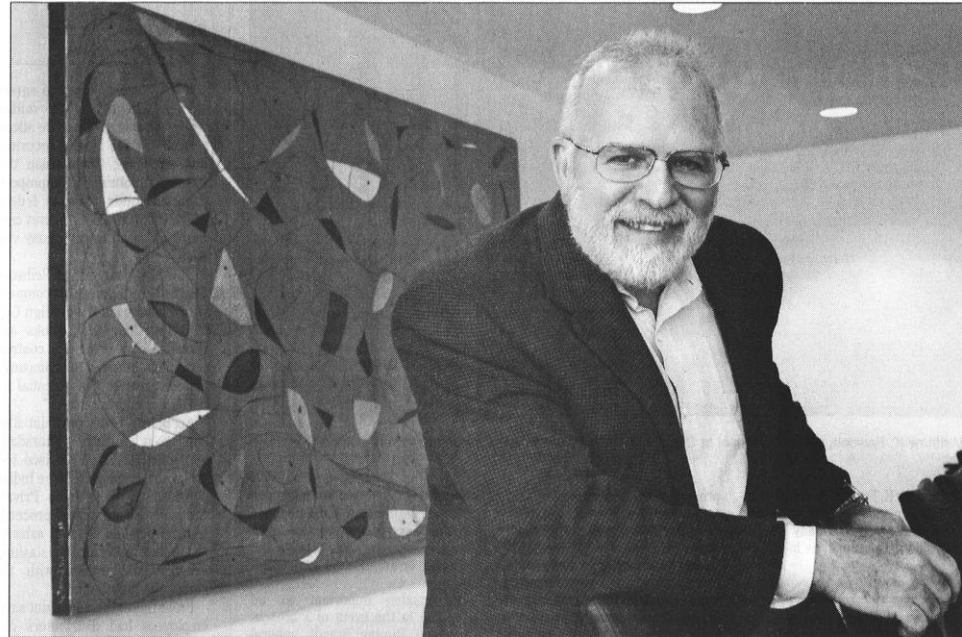
Gunner has since used that statement as a guiding principle in managing Valensi Rose.

"We like to give the attorneys the attitude where they should help each other," Gunner said. "We cross-sell each other all the time. We need each other in order to be successful."

He and his partners found that their strong camaraderie played an important role in the difficult task of approving their 2009 budget. The 16-lawyer firm, which handles estate planning, family and tax law and litigation, among other things, wasn't immune to the recession and had to find a way to cut expenses.

To cut back on expenses, Gunner said most big firms laid people off so the equity partners didn't have to take a pay reduction. However, he said no one at Valensi Rose, attorney or administrator, deserved to be fired.

So the firm decided to cut partner salaries by 10 percent, equity partners included. This kept every member of the team in place and benefits intact. Gunner said the firm maintained that pay structure for 18 months and restored the previous salaries in July 2010. He said the firm finished 2011



Arlen R. Gunner, managing partner of Valensi Rose PLC.

Hugh Williams / Special to the Daily Journal

with "modest profits and no debt."

The profits, Gunner added, constituted "a hell of an achievement in this marketplace."

To help build team unity, Gunner purchased his lawyer colleagues 20 copies of legendary UCLA basketball coach John Wooden's book, *Be Quick — But Don't Hurry*. Gunner then held monthly meetings in which attorneys would go over different chapters of the book and apply the concepts to the legal industry. Gunner even developed his own pyramid of success, modeled after Wooden's, which stresses that 15 character traits, including industrious-

ness, enthusiasm, initiative and confidence, help achieve success.

The meetings proved so popular that a secretary asked Gunner why she and the administrative staff didn't get their own books. True to form, Gunner ordered additional copies and held meetings tailored to the firm's administrators.

Gunner said another factor helping to boost morale is that Valensi Rose lawyers are asked to bill at a minimum of 1,750 hours per year, while attorneys at big firms could be asked to bill more than 2,200 hours annually.

"You have to realize that billable

hours is an internal measuring device only," Gunner said. "The client is only interested in what value they get."

He added that the firm "wants people to earn a living but also enjoy it."

"If you don't have fun, what good is money?"

Because it maintains a lower billable hour schedule and has only 16 attorneys, Valensi Rose can't take on as many clients as big firms. The firm counters this perceived negative by offering lower rates and connecting clients with outside help if necessary.

"I bill at \$525 per hour and I have 39 years of experience," Gunner said. "If I

go to a big firm then they're probably charging \$900 to \$1,000 for me."

Despite its small size, the firm handles a vast array of practice areas including tax and wealth planning, entertainment, business, real estate, family law and litigation.

"Our key selling point is that we're a nimble firm. We can jump on any issue and get it done," Gunner said. "We do the same work as big firms, just not as much. We'll bring people in if their expertise is needed."

Gunner said that while he feels he has "business sense," the most difficult aspect of his job came when he

took over as managing partner and was forced to run the firm's business.

"They don't teach you how to run a business in law school," Gunner said. "I realized I needed to educate myself and read up on things to develop an effective managing persona."

This included taking classes on communication, hiring a business consultant, re-branding the firm to revamp its business cards, website, stationary and slogan, and attending a monthly morning roundtable for small firm managing partners at Feinberg Mindel Brandt & Klein LLP in Los Angeles.

The managing partners, who have been meeting for years, congregate to discuss issues universal across all small firms. No topics are too important, such as the amount firms are paying for medical coverage for their staff, nor too mundane, like discussing whether or not to give employees the day after Christmas off.

"Every small law firm is the same and different at the same time," Gunner said. "They face that same problems but their dynamics are different."

Gunner said he now manages the firm in part by simply walking around the one-floor office and checking in with attorneys.

Gunner, an avid poker player who has gone toe-to-toe with some of the world's top professionals in Las Vegas, said he's developed a tough skin in the role of managing partner and knows when to fight battles.

"You have to determine what's important and what isn't," he said. "Establish firm guidelines and draw a line in the sand when it comes to some things. If it's not important, then handle it in a fair way in which no one gets hurt."

You always have to be asking yourself what precedent you're setting with each decision."

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