

by Sandra L. Willis



The following is a short assessment of a particular circumstance, but the lessons are meant to be helpful in any future situation. As far as stories go, Hannoch Weisman is up there with other large law firm breakups we have heard of over the years. All in all, not much was done or said about stopping the break-up or changing the terms of the dissolution. As the *New Jersey Law Journal* reported in its February 1, 1999, issue, the staff was given days to find other employment. There were no COBRA benefits, nor were back vacation time or last year's contribution to our profit sharing plan to be paid. This is how a law firm differs from other organizations. Because we are primarily dealing with partnerships, these groups can, and obviously will, break apart as quickly as possible so as not to incur any more debt.

Law firms are different from most organizations in other ways that are crucial to the operation of the business. Because they are made up of lawyers—mostly lawyers in fact—there are often few administrators. As the Library Director and/or Head Librarian, you are not only an information provider but one of the firm administrators. Part of that position brings the responsibility of watching the business as well as helping the business. The right mix of managers, administrators, and partners within the firm is crucial to the culture of the firm. Is information and communication open or is it guarded?

Does everyone watch the bottom line or does one small group perform this function? And how do these dynamics change over time? Hannoch Weisman experienced many problems over the years and managed to surmount them. But each dip, each valley created more problems that were not completely resolved. Firms, like any other organization, if extremely profitable, have the luxury of not needing too much middle management. But in a state of crisis, this group of people is imperative to survival. Understanding changes in the firm can help you see what is coming or what might be around the corner. Hannoch Weisman might have survived, but the partners chose not to keep going. The amount of work, time, and effort was too great. It would have taken great pains to work toward keeping the doors open, without any real hope that survival would have been good enough to justify any means of attainment. The firm had even lost its Executive Director during this crucial period. No one was really able to look at where that would leave the firm.

Unfortunately, we did not always learn from our prior mistakes either. Hannoch was stuck with expensive Princeton office space after breaking up with an earlier partnership. We should have learned that when losing significant income and several employees one should act and act quickly. But unfortunately we repeated this in our Roseland office. Without a back-up plan, we were stuck with this space. When the number of people leaving Hannoch over the last three years added up, we did not realize—until it was too late—that we should have moved or shared space to pay the lease. The firm had lost at least 12 partners since late 1995 or early 1996, and many were the rainmakers. This should have been a turning point, but it was not.

A change in business strategy also brought difficulty. The firm was looking to take a new direction for the coming year. But what would everyone think of this? Did we all agree? Could we all work within this new environment? Any shift in policy or strategy within the organization should be looked at carefully. If the policy is understood by everyone or at least most, then business can resume, but if much of your staff is confused or, worse, feels left out, these could cause major problems for the entire organization.

So, where does the librarian come into this story? Is it not our profession to gather, organize, and process information? If your firm decides to take a new direction, jump in and offer assistance on how to communicate this effectively to the firm members. Speak to the firm managers and partners and ask how the library may help build their practice in light of the changes. It is necessary to look at the overall organization, not just how you are managing the library. It is easy to become lost in the responsibilities of one's own department. Discuss with your superiors what you can do to stem the problems, but also realize that as the librarians we are privy to only a few pieces of the problem, often not the whole pie. You may need to ask what you can do to help the organization. Keeping your ear to the ground and stepping in to offer constructive alternatives may be all you can do if this happens in your organization. For the record, many other administrators did not agree with my assessment that the firm needed guidance in certain areas. If you are to be effective, cite specific examples and make your best case to the highest ranking person. In the end, the firm shareholders will make their own decision.

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What is our obligation to the organization once the decision is made though? The staff was given only a few days to find employment and arrange for healthcare, but it was also necessary to sell off the print collection, cancel all of the subscriptions and online passwords, and take an inventory of the physical collection. This task would be overwhelming no matter what the time frame. To be able to expedite this in the least amount of time one should look at the firm's policy regarding dissolution. Does your organization have a plan to deal with a closing? Maybe part of our task should be to look at this. My firm did have a disaster plan, but one that outlined rebuilding a collection if it were destroyed—

not one that included how to disassemble the collection. A key point to note: who will have the authority to sell off the collection? Unfortunately, we had not decided this previous to the situation occurring, and a great deal of time was spent ascertaining where this responsibility would fall. Eventually all decisions regarding the print collection were made by me and the prices were based upon the last price paid for individual titles and, in the case of the subscriptions, an acceptable percentage (acceptable to the bank) of the last renewal price. Speak to your Executive Director now about these issues and you will be able to save yourself a great deal of time if this should happen to you and, on a current note, be able to show your concern for your organization's interests now. If you and/or your organization wait until the end, it is likely

nothing positive will be accomplished. And, as a librarian, it is very disconcerting to leave a situation incomplete and unsettled.

So where does this bring us? What have we learned? Do you still give 150% every day after such a devastating change? Yes. As a professional, how one treats this situation and continues to act is not only a reflection upon yourself, but everyone else who calls him/herself a librarian. However, understand your limitations in an environment where you are not the owner nor the boss. Continue to make suggestions for your department on how to cut costs, outline where there may be duplications in the collection, create comparisons for online, CD-ROM, and print, and assist in the overall management structure when necessary.

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I think Hannoeh serves as a reminder of what we already know about this business, but it bears repeating. When we are the owners we can make the rules. Until then, work diligently, efficiently, and honestly, and when you see something coming around the corner, be prepared. Luckily we are a very resourceful group of people, who often plan ahead. And the planning will make the situation more like a bump in the road instead of a landmine. My resume was prepared and ready to go when I spoke with Judith Schlissel, our Placement Chair, about the break-up. She received notification of a position in her e-mail while we were on the phone. Because my resume was ready, I faxed it immediately and heard from the firm within hours. I started two weeks later.

### **Things to consider:**

- Does your organization have a plan of action if resources or revenue significantly decline?
- Who makes that decision? The Executive Board? The Directors as a whole?
- Does your organization have effective methods of communication?
- What can you do now to improve these methods?
- Who arranges for the sale of the print collection if the organization dissolves?
- Do the employees have the right to purchase titles before any outside organizations?
- Create a dissolution document. Include the contact information for law book buyer/sellers.
- Keep a list of all of your vendors, their customer service numbers, and your account numbers as a separate emergency document.
- Keep notes if any of the vendors require written letters of confirmation to cancel titles.
- Keep a list of all contracts that require 30 or 60 days "out clauses"—cancel these first.
- Let your representatives know who they may call in the organization after you have left.
- Note—your firm may receive a tax break if the materials are donated, such as to state correctional facilities—keep this in mind if you are unable to sell all of the titles.
- Keep all of your pay stubs—there is no one to contact if your W-2 does not arrive.
- Make sure you have all information regarding any profitsharing and/or 401(K) plan pay-out, as you will need to follow-up.
- Lastly, try to focus on how the change benefits you professionally and lean on your fellow librarians—they really are a great group of people.

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