



7 big things for all businesses to know

Tom Minogue's remarks at the St. Louis Business Journal's Top 150 Private Companies Dinner – May 1, 2014

I've worked long and hard ... for 35 years ... to hopefully create a professional reputation as a distinguished attorney – and now whenever anyone sees me all they say is... UMSL HIGHWAY BILLBOARD or DANCING WITH THE STARS TANGO! Good grief! How did this happen?

I do need to tell you all though that I am really looking forward to the surprise 40th anniversary trip of the first date with my wife. But I'm also a little concerned about it too. Not because of the 5:45 a.m. flight tomorrow morning, that's no big deal, I take early flights all the time. But I get a sense that my wife is hoping that somehow the 19 YEAR OLD VERSION of me will show up to pick her up tomorrow morning rather than the 59 YEAR OLD MODEL. And I have no idea how to pull that off!

Great job on the introduction tonight Larry. Thanks so much. I especially appreciate you filling in at the last minute for Ron Kruszewski, who always does the introductions. And Ron's not here tonight. That means he's DEFENSELESS; that's BLOOD IN THE WATER to a lawyer. This whole Dancing with the Stars thing, it was Kruszewski who talked me into it! And he did it too. You get bored with my speech tonight – and that could happen – just pull up YouTube, search for "Ron Kruszewski." Press PLAY on the very first result. You'll be treated to the magic of HIS dance routine. This guy with a huge cowboy hat on, STUMBLING around the dance floor, trying in vain to "lasso" his partner. You'll love it!

And Ellen – how can any of us EVER forget last year? Without question the MOST MEMORABLE Top 150 dinner you've ever hosted – and NOBODY gave a speech! That puts a lot of pressure on me – I know there's no way it is humanly possible we can do anything tonight anywhere near as popular as what I did last year – when all I did is ask you for a RAIN CHECK!

But I'll give it a shot.

It's sure nice not to feel like NOAH up here in the deluge!

So let me take you back just over a year. I'm sitting in my car, my secretary gets ahold of me and says Ellen Sherberg is trying to track me down. And Ellen wants her to tell me "IT'S NOT BAD NEWS, TOM." Well, that was good to know – I must say I never realized you were so DESPERATE, Ellen, that you had to say that to get people to return your calls.

I call Ellen back, and she says Tom, we'd like you to speak at the Top 150 dinner. I say Ellen, that's fine, I've done it a number of times before, who do you want me to introduce this year? She says No No, we want YOU to be the guest speaker. Without thinking, I blurt out WOW, that's pretty cool, how did you PICK ME?

There's a little PAUSE. SILENCE. Then this SHEEPISH voice comes over the phone and says "Well Tom, we've never had a LAWYER do it before, we just figure IT'S ABOUT TIME."

And I think... about time, Ellen? You've managed to go 15 years without calling a lawyer? I'll bet everybody'd like to know your secret on that.

But I don't say that, I say hey Ellen, I'm delighted, I'd love to be your TOKEN LAWYER. What would you like me to talk about? The WEATHER?

She says "No Tom, the weather will be fine, NO WORRIES. How about this: How do you get to be the managing partner of a law firm? What's it like to be managing partner? And the Thompson Coburn story."

"That's what people will want to hear about. NOT THE WEATHER!"

So, doing what Ellen tells me to do – some free legal advice here, that's ALWAYS THE SMART MOVE! No one has a pain threshold high enough to do anything different. How do you get to be managing partner of a big law firm?

Well, if you watch TV, The Good Wife, whatever, you might think it's all about SCHEMING and STABBING people in the

back as you CLAW your way to the top. But it's not like that at all, at least in my experience.

You see, as managing partner, a lot of the job is just about MATCHING PEOPLE TO THEIR SKILL SETS. And I think that's kind of how you BECOME managing partner. My own path began long ago at UMSL. I started out as a political science major. It took me about a year and a half before I realized what am I going to do with that degree? So I did what any college kid does, I changed my major. I went to economics. Another year and a half goes by, same question – same answer! What do I do?

I had to get serious. So I decided to take a career aptitude test – not an intelligence test, but just what would be a fit for me. I take the test, this is before computers, #2 pencil, fill in the dots, hundreds of questions. What comes back is that I'm best suited for two careers more than any others. Nothing else is even close. I need to be either a Lawyer ... or a RECREATIONAL SUPERINTENDENT! In other words, a playground supervisor!

So Ellen, that's how you get to be managing partner of a big law firm. You test out for LAWYER PLAYGROUND SUPERVISOR. And maybe throw in a business-related degree for good measure.

On to your next question, Ellen. What's it like to be managing partner of a law firm?

TRUTH BE TOLD, IT'S A LOT OF FUN. By and large lawyers are bright, engaging people who are a great time to be around. If you don't believe me, just ask one of us here tonight, I've got a BUNCH of them here with me!

Now having said that, someone who does personality profile tests – and has tested thousands of people – once explained to me that when it comes to lawyers, our personalities are pretty much like everyone else's except for five distinctive personality traits:

- *Skepticism* – NOW THERE'S A SURPRISE! We are off the charts at a 90% level compared to the norm. We don't believe anything anyone tells us. That's okay – nobody believes what lawyers say either. So it works!
- *Insecurity* – Off the charts there too. Just ask our spouses! Don't! We're even concerned about the 19 year-old versions of ourselves!
- *Sociability* – Way down the charts at like 10%. Lawyers are ANTI-SOCIAL PEOPLE. I am skeptical about that.
- *Autonomy* – Lawyers are independent-minded folk, leave us alone, don't tell us what to do. Some of you may have noticed that sometimes we don't play well in the sand box together. We like to THROW THE SAND.
- *Analytical Skills* – Very high, in the 90's, we love to analyze things to DEATH and are really good at problem solving.

In any event, this fellow's message was – in terms of what it's like to be managing partner of a law firm – if you ever feel a little beat up at the end of the day or what truck hit you, hey, don't lose any sleep over it. By and large, you're managing a group of HIGHLY SKEPTICAL, GENERALLY INSECURE, ANTI-SOCIAL PEOPLE WHO BY AND LARGE WANT TO

BE LEFT ALONE BUT ARE HAPPY TO SECOND-GUESS EVERYTHING YOU DO!

But there was another message there too – and I think this is true for all of our private companies here – when you work in your business, do your best to ADAPT to the personalities of your special group. Use your playground supervisor skills!

Now on to what you really wanted me to talk about tonight Ellen, and that's the Thompson Coburn story.

Let me say at the outset that we are IMMENSELY PROUD of what we have accomplished at Thompson Coburn. We got our name back in 1996, when we pulled off what is still the biggest merger of two St. Louis-headquartered law firms in history. Formed what has remained ever since the largest collection of lawyers in St. Louis.

And as I continue with our story, I hope you'll see how important KNOWING WHO WE ARE has been to us. Because in addition to the other things I mentioned about lawyers, there's one other trait we all have that the testing services didn't pick up – but I know to be true. With all due respect to Blanche Touhill at UMSL – and it's too late to get me on this Blanche – we are also HABITUAL PLAGIARISTS!

When it comes to lawyers, if someone has already figured out how to do it right – you know that a contract written a certain way is enforceable, or if you file this pleading you will win in court – WE WILL COPY IT. Without shame. Over and over.

And while that approach has its weaknesses, it also has a GREAT STRENGTH – it means we are always LOOKING TO LEARN FROM THOSE AROUND US. To take the BEST of what we see in others and apply it to ourselves.

So let me tell you our story – briefly – I won't keep you here past 10:30 or 11:00, I've got an early flight – in the context of 7 BIG THINGS we've PLAGIARIZED from you in the room tonight.

#7: CELEBRATE YOUR FOUNDERS. We learned this from our client Enterprise Holdings, and the great way they celebrate their spectacular founder Jack Taylor. In our case we have two – Guy Thompson and Richmond Coburn.

On Guy Thompson – Ellen, it is great to get to give these remarks here tonight. But I'll never come close to what Guy got to do – he gave the keynote speech, as president of the American Bar Association, when the CORNERSTONE was laid for the U.S. Supreme Court building in Washington, DC. 1932. If there's one thing I'd ask everyone in this room to remember about our background, it's this: whenever you read an article about the U.S. Supreme Court, think Thompson Coburn lawyer.

On Richmond Coburn – he was an associate at Guy Thompson's firm, left to fight in World War II, and when he came back had the entrepreneurial spirit to form his own firm, which became the largest litigation boutique in St. Louis. So large that it tried – and WON for Monsanto – the longest jury trial in the HISTORY of the country. 3 years – 3 YEARS! – 8 months, 16 days. Still in the Guinness Book of World Records.

So when you think big time trial lawyers, think Thompson Coburn.

That's my last lawyer advertisement for the evening, by the way!

So we do our merger in 1996, and we have to figure out how we make sure it sticks. Bringing together a bunch of lawyers who value AUTONOMY, of all things.

We looked around, and we saw that the companies who've succeeded in doing this with lots of mergers – like Barry-Wehmiller – all had at least one thing in common. #6 – A STRONG SET OF COMMONLY-HELD VALUES.

So in all the flurry of putting two places together, we took some quiet time to figure out who we are and who we want to be. And we came up with what works for us – excellence, diversity, civic commitment. And still today, the first day you show up for work at Thompson Coburn, whether you're a lawyer or a paralegal or an HR specialist, you get this [HOLD UP CARD] – our VALUES. SO YOU KNOW WHAT WE – AND NOW YOU – STAND FOR.

Now even HIGHLY SKEPTICAL LAWYERS can't make it up as they go. Like all of you, we need #5: A PLAN.

Rich McClure does strategic planning at UniGroup every year. We do too at Thompson Coburn. We do it twice a year in all of our practice groups. It helps us decide the things that are important to any business – like additional service offerings; new markets; and succession planning.

And our plans are SIMPLE. Identify 3 to 5 things and follow-up. They're actually more like LISTS than great big plans. Those of you who've had the joy of working with lawyers ... and truth be told, we are an ACQUIRED TASTE ... you know that we do LOVE OUR CHECKLISTS. Maybe you've picked that up about ME tonight.

In any event, ever try to get a group of lawyers to agree on a big fancy 50-page document? FORGET IT! It will take forever and you'll go broke. Our planning mantra is KEEP IT SIMPLE AND DO IT WELL.

In the years since we created Thompson Coburn, like all of you we've focused on #4 too – INVESTING IN GROWTH. To us that means a lot of different things:

- We've ADDED DEPTH to existing areas of our practice. In our industry, it's important to have multiple partners with the same expertise, so if something happens to one of them you don't lose the practice. OUR INTELLECTUAL PROPERTY IS OUR PEOPLE. So we've added hosts of new lawyers over the years.
- We've entered into NEW AREAS OF PRACTICE. We knew we needed to have a full services INTELLECTUAL PROPERTY practice to succeed in the 21st century. So we merged with the Howell & Haferkamp IP boutique here, and grew our IP group from 2 to 40 attorneys. We knew when we looked at changing demographics we needed to have a CORPORATE HEALTHCARE practice. So we brought the leading group in St. Louis to our firm.

- We identified CHICAGO as a new growth target. It's the money center of the Midwest and we had \$5 million of business there to start off. So we merged with the 30-attorney firm of FagelHaber. And in 6 years we've doubled the size of the office to 65 lawyers and \$35 million of revenues.
- Another piece of the puzzle for us was WASHINGTON, DC. Tough legal market. More lawyers per capita than any other city in the world. Per Supreme Court Justice Sandra Day O'Connor, MORE LAWYERS THAN PEOPLE! Think about that!
- Our plan in DC isn't to be all things to all people, but to focus on what clients expect from DC attorneys. So we built our practice around
 - Government contracts, energy, infrastructure, international trade
 - And, our most recent addition, lobbying. We were very excited to open up that practice last year by attracting an experienced group from another firm.
- We made another move last year, when we opened up a new office in LOS ANGELES and did another merger. We had \$5 million of business out there too ... it's not rocket science figuring out where you should go ... and today we're lead counsel for a new billion dollar expansion project for the LA Metro Transit Authority. Believe it or not, there IS mass transit in Los Angeles. You can believe a lawyer!
- Yet another TC initiative is diversifying our practice beyond our home cities on a NATIONAL AND EVEN INTERNATIONAL BASIS. And how do you do that, when you don't have offices in every city around the country or in every country around the world? Well, in the 21st century there's an APP for that.

You do it by #3 – OVERSPENDING ON TECHNOLOGY. We all know technology's what drives commerce today.

So instead of spending money on bricks and mortar, we spend it on TECHNOLOGY AND TRAINING. We're a law firm of 375 attorneys with 55 IT professionals. One for every 7 lawyers. We spend over \$25,000 per attorney per year on IT. Way higher ratios than our competitors. What has that enabled us to do? Let me give you one simple example.

Every lawyer in our firm has DUAL SCREEN MONITORS. Every paralegal does. And every secretary. Two screens makes us quicker/better/faster/more efficient. It's one of the reasons we were just ranked in a survey of general counsel nationwide as being one of the top 13 law firms in the country at providing VALUE FOR THE DOLLAR. And I know that, while we're competitive, we're not cheap. We attribute part of the value we bring to the table to our technology.

It's had another impact as well. In 1996 when we formed Thompson Coburn 20% of our work was outside of St. Louis. Today it's 60%.

ONE OTHER WAY we know it works is that our most technologically proficient SKEPTICS, our own young lawyers, BELIEVE IT. For six years in a row we were ranked by young lawyers as having the best technology of any law firm in the nation. Nobody's ever been #1 in my industry on anything

like that before.

Now I haven't been ordering these seven things, but I've been to a lot of events like this over the years and more than anything else I've heard from every successful business leader is that it's really all about #2 – CLIENTS AND PEOPLE.

And one of the most impressive things I ever learned from a client ABOUT PEOPLE was from Des Lee. Back in the early 1990's, before Des sold Lee-Rowan, before he became the great philanthropist, he brought in TC to represent the company. And I had the GREAT GOOD FORTUNE to be assigned to the account.

First day I went to Lee Rowan Des says let me SHOW YOU AROUND Tom. Takes his lawyer down to the shop floor in the plant up in Wellston. Introduces me to his line workers person-by-person – dozens of them. And he knows every one of them and their families. How are you Joe, how's your wife? How's your daughter doing at Mizzou, Mary?

It was an AMAZING TOUR DE FORCE. It was HIS company, and he had put his own INDELIBLE MARK on it. And it made an indelible mark on me.

And among the many lessons I learned from Des Lee over the years was this one – #1 FOR TONIGHT:

TAKE ADVANTAGE OF THE FACT THAT IT'S YOUR BUSINESS. Capitalize on it!

And at Thompson Coburn we've tried as best we can to do exactly that.

We believe in TRANSPARENCY. Like all of you, we have annual, quarterly, monthly financials. We have daily financials too. And we post them for all of our 250 owners to see. All those 250 owners know what each other makes. All those 250 owners can look up – on our vaunted technology – any bit of TC financial data they want to see at any time.

We think that instilling a sense of true ownership is a HUGE MOTIVATOR – and ERASES the lawyer skepticism.

We also believe – like US Bank, PNC and our other fine banking clients – in maintaining a STRONG FINANCIAL FOOTING. Now I'm not saying our business model works in other industries, but at Thompson Coburn we are entirely self-financed and have no debt. Lots of shocking things have happened recently in the lawyer market, with some huge, highly profitable law firms disappearing almost overnight. One of the reasons for that is – in a professional services firm – if you pay out more money to your partners than you take in, things can go south real fast.

But by being transparent and paying attention to the basics, we've created the flexibility to TAKE CARE of all of our people in SPECIAL WAYS.

When the downturn hit in 2008, everyone in our industry was laying people off. Tens of thousands. We were impacted too. But because of how we'd SHAPED our business, because we OWNED the business ourselves, and because of some GOOD

FORTUNE, we were able to take a different path.

Our owners were able to decide that we preferred to ABSORB the financial impact ourselves rather than let people go. So in the down years of 2008 and 2009 – and thereafter too – there were NO EMPLOYEE LAYOFFS AT TC. NONE. We circled the ranks and worked our way through it. And in 2010, 11, 12, 13 and so far in 14 – thanks to our PEOPLE and to all of our CLIENTS – we had the BEST FINANCIAL YEARS in our history. Along the way associates ranked us for 5 of those years as one of the 10 BEST LAW FIRMS TO WORK AT IN THE COUNTRY. And one year we were number 2.

And I attribute a lot of that to all the lessons we learned from Des 20 years ago, about shaping your own business.

And if there's ONE THOUGHT I'd leave with you tonight from Thompson Coburn it's Des's:

- take ADVANTAGE of the fact that you're a private company
- and USE THAT ADVANTAGE to create your own special place for all your people.

NOTHING'S more important to the success of your business than that.

Well, I do have one other thought. If anybody's got any idea how I can find even a glimpse of the 19 year old me again by 5:45 a.m., please see me after this. I need your help!

Thanks very much Ellen. You KNOW I'll always call you back.

And thanks to all of you here tonight too. Sure glad no one had to use the TC umbrellas!

Tom Minogue
Chairman
Thompson Coburn LLP