

Chamberlain Hrdlicka Grows Revenue by 13 Percent

By Zack Needles | [Contact](#) | [All Articles](#)

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Wayne Risoli

Houston-based tax-boutique-turned-general-practice-firm Chamberlain Hrdlicka grew its gross revenue by nearly 13 percent in 2012 and is now focusing on expanding the capabilities of its Philadelphia-area office beyond just tax law.

The firm's gross revenue increased from \$64.9 million in 2011 to \$73.3 million in 2012.

Managing shareholder Wayne Risoli told *The Legal* that the growth was the culmination of bringing in more business, upping shareholder collection efforts and increasing associate productivity at the firm over the past four years or so.

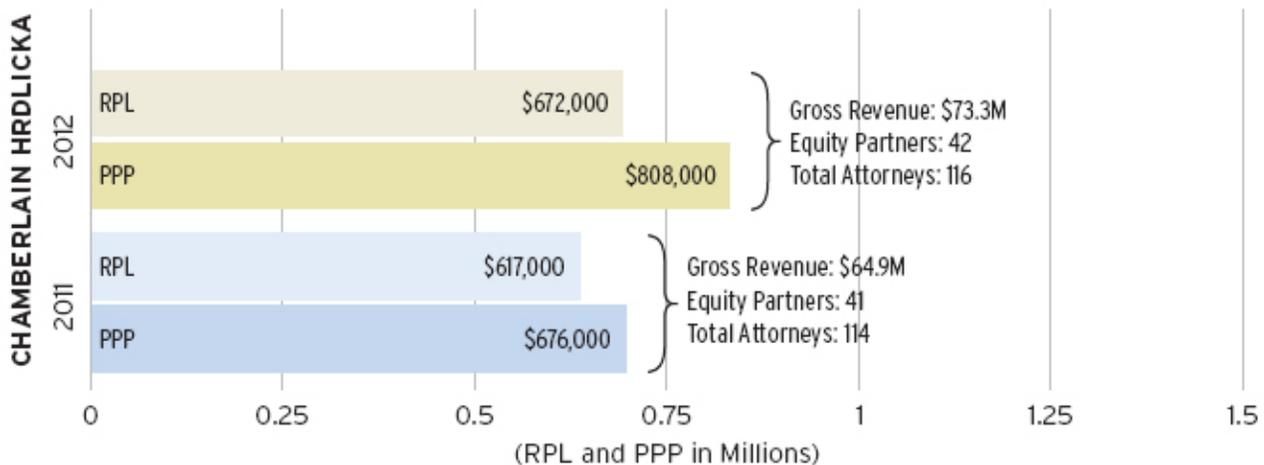
When the recession hit in 2008, Risoli said, the firm saw it as an opportunity.

At that time, according to Risoli, Chamberlain Hrdlicka had already been serving mostly middle-market clients in the \$5 million to \$10 million revenue range so the firm was "always mindful of keeping fees at a reasonable rate and keeping staffing at a reasonable level." "When the economy had that incredible downturn, we were able to fit within the restricted budgets companies had," Risoli said. Soon, Fortune 500 clients came knocking, according to Risoli.

"They want value, not just lower rates," Risoli said, explaining that his firm's success has come from identifying which firms the larger clients have hired in the past and figuring out how to provide them with the same or better value. "Once they hire us and see our ultimate bill, they come back to us."

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Meanwhile, Risoli said, the firm has also stepped up its collection efforts in recent years.

"In 2011, we said to all our shareholders that we had to increase our collection ratio," Risoli said. "We were in the 92.5 percent ratio, which was average at best."

Risoli said the shareholders took the directive seriously and, as a consequence, the 2012 shareholder collection rate at the firm rose to 96.2 percent.

"What you need to do with any type of relationship that has financial elements is you have to have candid conversations with clients about what the expectation of payment is, so they have an understanding that you expect payment within 30 days," Risoli said, adding that the firm also now has a "tickler system" in place to identify clients who are more than 45 days late on their payments.

The firm's revenue per lawyer (RPL) grew by about 9 percent, from about \$617,000 in 2011 to \$672,000 in 2012.

Its firmwide headcount grew by about 2 percent, from 114 attorneys in 2011 to 116 in 2012.

Its equity partnership tier also grew by about 2 percent, from 41 lawyers to 42 lawyers, and its nonequity partnership tier increased by nearly 16 percent, from 19 lawyers to 22 lawyers.

Meanwhile, Chamberlain Hrdlicka's net income rose by nearly 17 percent, from about \$31.9 million to about \$37.3 million, resulting in the firm's profits per equity partner (PPP) growing by nearly 20 percent, from \$676,000 in 2011 to \$808,000 in 2012.

Philip Karter, a shareholder in Chamberlain Hrdlicka's Philadelphia-area office, located in West Conshohocken, Pa., said the office, which opened in 2007 with a focus on tax law, was a strong contributor to the firm's overall growth last year.

Karter said the attorneys in West Conshohocken tend to work mostly with larger corporate clients, which has made the office "a good profit center for the firm overall."

Chamberlain Hrdlicka was founded as a tax law boutique in the 1960s, but, according to Risoli, the firm has made a concerted effort over the past few decades to expand its capabilities.

Risoli said that, along with its tax practice, the firm's energy, employee benefits and wealth planning groups all had strong years in 2012.

In addition, according to Risoli, business transactional work was also up, particularly in the firm's two largest offices in Houston and Atlanta.

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"In Atlanta, it couldn't have been any worse in '08, '09 and '10," Risoli said. "We saw a glimmer in 2011 but in 2012 we really started to see some actual optimism."

The Atlanta location opened its doors in 1986 and was the firm's second office.

Like the Houston office before it, the Atlanta location started with a purely tax law focus. Since then, the office has expanded to include corporate transactional and litigation practices, according to Risoli.

Now, Risoli and Karter both said the firm is looking to the West Conshohocken office to follow a similar trajectory.

"We are eager to grow our Philadelphia office," Risoli said. "We'd like to see it mirror our growth in Atlanta on a smaller scale."

According to Karter, his office's first foray into expanding beyond federal, state and local tax work came last April when it brought aboard estate planning and administration attorney David S. Kovsky as senior counsel from **Cozen O'Connor's** Philadelphia office.

Karter, speaking to *The Legal* on Thursday, announced two more hires aimed at expanding the office's practice capabilities.

Karter said the firm has hired commercial litigator Elizabeth S. Fenton as a shareholder from the Philadelphia office of **Reed Smith**, where she was a partner.

In addition, the firm has brought on real estate and corporate transactional attorney Michael Stutman as senior counsel from Astor Weiss Kaplan & Mandel in Philadelphia, where he was a partner.

Karter said the office, which now has nine lawyers, is currently in growth mode, but added that it will be a "controlled growth" aimed at adding practice areas that are compatible with each other.

"Optimally, you look for practices where there's the opportunity to work together because clients' needs extend beyond just one area of expertise," Karter said.

In addition to Houston, Atlanta and West Conshohocken, Chamberlain Hrdlicka has offices in Denver and San Antonio.

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