



Edward B. Deutsch said growth at the state's largest firm has come organically. —AARON HOUSTON

# The counselor

## Deutsch has helped lead the state's biggest firm on steady growth plan

BY BRETT JOHNSON

Depending on who is calling it, there are a couple of contenders for the biggest law firm in the state.

But **McElroy, Deutsch, Mulvaney & Carpenter** in Morristown has worn the title for the past few years in publications such as the **New Jersey Law Journal**, and even on NJBIZ's own year-end lists.

The firm has 11 offices in and around the state that house approximately 300 lawyers (around 200 of which are in New Jersey). There's no doubt it's big, but so are the other firms vying for that title.

Here are managing partner **Edward B. Deutsch's** insights on how the firm has gotten to where it is.

**NJBIZ:** *You've been named the largest law firm in the state for the third consecutive year by New Jersey Law Journal. What are some of the expectations that come with that eminence?*

**Edward B. Deutsch:** We have not grown for the sake of growing. We've grown in a way that's strategically advantageous to us and profitable. We never had an aim to be the largest law

firm in New Jersey; it just sort of happened that way. The perception in the marketplace for any substantial firm, I think, is that you must have quality people and do quality work at a reasonable rate, or you wouldn't have grown. ... On many of the big cases, when you need to put eight people on a case for six months, they feel comfortable that you can do that without disrupting your own firm. And that's hard to do.

**NJBIZ:** *Back in August, your firm opened an office in Tinton Falls; that made the firm's geographic footprint even more immense. Was branching out so widely part of the initial plan?*

**ED:** When we started the firm (in 1983), there were just two of us in a basement in Morristown. The business plan was to remain very small. We had good clients and a good reputation; we thought we could hire five or six superstar young people and continue that while remaining small. We found that you can only say no to people so many times before they stop asking you. So we made a new business plan that dealt with growth. We went from

two lawyers to more than 150, hiring just one lawyer at a time.

**NJBIZ:** *You then started partaking in mergers and acquisitions; is that something you intend to continue?*

**ED:** Our goal is still mostly to grow through individual people. We're not out looking to acquire other firms or be acquired. If we can grow our own people, that's how we'll be most successful.

**NJBIZ:** *What are your thoughts on the flurry of law firm mergers and acquisitions New Jersey has experienced this year?*

**ED:** I'm not familiar with all of them, but some of those activities were born of firms that were financially stressed or stressed in the leadership. From what I

know of it, a couple weren't necessarily mergers or acquisitions done from a position of strength.

**NJBIZ:** *How has the industry surrounding you evolved since your founding?*

**ED:** The industry has gone in large part from being a profession to being a business. That is a sad commentary from my point of view. We try to avoid that; we try to keep the level of professionalization and collegiality at the highest level, instead of being run by dollars. We tell young people coming here that if you want a career and a profession that this is the place to be; if you just want a job, this probably isn't the right place.

**NJBIZ:** *How about emerging legal sectors: How has the industry's concentration on practice areas such as intellectual property changed your strategy?*

**ED:** That's very big. We actually don't have a full-service intellectual property department at our firm. There are other emerging sectors — one of the prominent ones being health care, given that the Affordable Care Act has generated issues for people in hospitals, doctor groups and insurance companies — that we're growing in.

**NJBIZ:** *What are the drivers behind the areas of service you choose to offer at your firm?*

**ED:** Well, we're pretty much a full-service firm. And that's actually enabled us to weather a lot of the problems other firms have had during 2007 and 2008 — during that recessionary period, which the law profession still hasn't recovered from.

**NJBIZ:** *What was it like to be a law firm during the recession?*

**ED:** You couldn't pick up the paper and not see news about some law firm laying people off. We went through that in a very different manner. We sent an email around to everybody and said, 'I know you're reading the paper and seeing those layoffs, but you can rest assured that we're going to weather this, and not have recession-based layoffs. So when the recession ends, we'll still have good people.' I must've gotten 60 replies from staff members. I remember one secretary's note: 'My husband and friends have gotten laid off in the past week. I'm the sole earner. I haven't slept in days because I worry that every day I come to work it might be my last. Now I know I'll be OK.' Those people have stayed with us, and are very loyal.

**E-mail to:** [brettj@njbiz.com](mailto:brettj@njbiz.com)

**On Twitter:** @reporterbrett

### Edward B. Deutsch

**TITLE:** Managing partner

**AFFILIATION:** McElroy, Deutsch, Mulvaney & Carpenter (Morristown)

**ONE MORE THING:** Deutsch is very involved in the banking industry as well. He previously served as founder and chairman of the board of directors of Somerset Hills Bank, which has since merged with Lakeland Bank. He also chaired the governor's transition team on banking and insurance.