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Fafinski's rule of law

Prepped for recession, new practice areas help commercial law firm thrive

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STAFF WRITER

For Robert Fafinski Jr., it's not that slow and steady wins the race, it's that there is no race. Measured growth and a constant focus on better serving its business clients has brought his commercial law firm sustainable success in an unstable economy.

When Fafinski founded Fafinski, Mark & Johnson in 1999 with partners Don Mark and Kevin Johnson, he envisioned a model that would provide all the services a company needs. By offering business-oriented practice areas such as employment advising and litigation, real estate and mergers and acquisitions, the firm is a one-stop shop for large companies seeking an alternative to larger, more expensive firms.

PROFILE

We look at the challenges and successes of a small-business owner.

Fafinski, Mark & Johnson is best known for its work in the aviation industry, but serves industries across the board.

After meeting the pilots of the then-fledgling Sun Country Airlines early in his career, Fafinski and his

team landed a long-term relationship with the airline and a window into the aviation industry. In addition to aviation clients worldwide, they work for businesses in other industries such as Burnsville-based Northern Tool + Equipment Co. and Chanhassen-based Snap Fitness. They also serve those for whom commerce has failed, including the unsecured creditors in Tom Petters' and Denny Hecker's high-profile bankruptcy cases.

Making a boon out of others' busts has become one of the firm's primary strategies for surviving economic downturns. When other practice areas flagged, the bankruptcy division led the way.

"I'm old enough now to have lived through a couple of recessions and I kept looking over my shoulder thinking, 'it's gonna come.' That's why we went out and brought this bankruptcy group in," said Fafinski, the firm's CEO. "When things blow up, we have the people in place that can actually work in a down-cycle economy."

The deliberate pre-recession addition of the bankruptcy practice exemplifies Fafinski's keen business acumen, a strength that sets him apart from other lawyers, said Scott Richardson of Houlihan Lokey.

"[Bob] is very commercial and pragmatic," said Richardson, managing partner at the Minneapolis investment bank. Richardson, who has worked with Fafinski on deals for several clients, has found him to be "very calm and level-headed" in what can be tense negotiations.

Fafinski also is pragmatic when it comes to his firm's growth. He's committed to giving the firm and its employees a secure future, but said he's "not in a race to become the next biggest firm in the state."

Instead, Fafinski emphasizes quality service and a qualified staff. By keeping overhead low and operating without debt, the firm has invested in new practice areas and attorneys to meet changing business needs while keeping the business sustainable.

That has required ethical leadership and a loyal team. When the recession forced the firm to make cuts, the partners chose to reduce their own pay rather than cut staff. Internal mentorship and training are company priorities, and employees receive merit-based raises rather than perfunctory pay increases.

The approach helped the firm weather the recession and it also foregrounded its recovery. When the economy started springing back, the firm's committed, high-performing attorneys were "ready to rock and roll," Fafinski said.

In particular, Fafinski's employment practice has boomed.

With steady growth in other areas, including the intellectual property and estate planning practices, the firm has reversed its recession-era losses. February, March and April of this year were the best months in the firm's history with revenue up 30 percent over the same period last year and 2011 is projected to be 30 percent higher overall than 2010.

As the firm continues to grow, Fafinski hopes to add additional practice areas in boom-and-bust industries, such as energy, to keep the firm in business through the ups and the downs.

To pave their entry into new industries, Fafinski looks to the firm's reputation. "We can't afford to just be average. We have to be great," he said.

FAFINSKI, MARK & JOHNSON

CEO: **Robert Fafinski Jr.**
Headquarters: **Eden Prairie**
Year founded: **1999**
Employees: **46**
Growth rate: **February, March and April are up 30 percent in revenue over the same period last year. 2011 is projected to be up 30 percent in revenue over 2010.**
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Robert Fafinski Jr. led his law firm through the recession by focusing on bankruptcy cases. Now, Fafinski, Mark & Johnson's revenue is on the rise, and the firm is adding new practice areas.

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