

Post-Recession Globalization

By Ed Wesemann

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To the extent that there is anything good about an international economic meltdown, it can be credited with having forced a lot of law firms to reconsider their globalization plans. As the recession drove red ink for the international investments of many firms, more than a few of them are looking at their international offices and saying to themselves, *“What were we thinking?”* The post recession global expansion for at least U.S. law firms may hinge on what they have learned from their international experiences. And, those experiences may be equally instructive to U.K. law firms as they consider their potential expansion to the Americas.

It is always risky putting a label on something before it is completed but, at least as of now, it would be hard for law firms to call the current decade anything but the age of international expansion. For many U.S. firms, globalization rapidly went from being a seminar topic ten years ago to an underpinning of business strategy today. In fact, of the top 200 law firms in America, 70 have an office in the United Kingdom and 66 have an office in China. Of course, those numbers are chump change compared to the number of countries where large U.K. law firms have planted their flags. But, for a country where only about 20 percent of its citizens hold passports, U.S. law firms can rightfully view themselves as being in the vanguard of American global expansion. On the other hand, for British law firms, the U.S. has to be viewed as the land of opportunity. With a legal market approaching a quarter of a trillion dollars, the value of legal services in the U.S. is larger than the rest of the world combined and almost six times bigger than the U.K., the next largest legal market. With the financing opportunities presented through the Clementi reforms, the U.K. Top 50 was busily preparing their U.S. growth plans.

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