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# EDGE International Review

Essential Insights for Legal Leaders

## Alternative Growth Structures

What legal leaders  
need to know  
about:

- *Swiss Vereins*
- *Global Alliances*
- *Non-Merger Affiliations*
- *Expansion Strategies*
- *And more.....*

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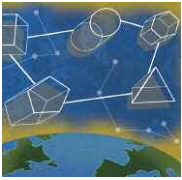
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Illustrations: Robert Johannsen



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# Edge International: Legal Project Management

PHILADELPHIA



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**L**aw firms and corporate legal departments don't always agree on everything. But nowadays, they definitely find common ground on the critical importance of legal project management (LPM), alternative fee arrangements, and operational efficiency.

PHILADELPHIA



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Both AmLaw 100 law firms and Fortune 100 corporations are engaging the consultants of *Edge International* for training, coaching and instruction on legal project management in their workplaces. We show them how LPM principles and skills can increase productivity, improve communications, and cement stronger relationships between clients and law firms.

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# New Routes to Strategic Growth

By Gerry Riskin

When a firm has good and valid reasons to grow, or at least to extend its reach, the question changes from whether to grow to *how* to grow. The favoured traditional route — indeed, the only route for most firms — was a merger, a complicated and challenging move that could deliver major benefits but that also carried significant risks if the combination of two businesses failed to take.

Here at Edge International, we are frequently consulted about growth strategies, and we provide many merger-related services. But over the past few years, we have watched the emergence of several alternative routes to law firm growth. In this issue of the *Edge International Review*, we are pleased to provide you with details of several such alternatives, from the currently popular Swiss Verein structure to global affiliations to “innovative associations” appropriate for India.

Regardless of the route taken to get there, growth also breeds management and execution challenges for the new larger entity. How does a growing firm motivate geographically disparate members to collaborate in delivering client solutions, attracting new business, and better serving existing clients across the depth and breadth of the firm’s capabilities? And what do clients think of all these growth strategies anyway?

We have answers to these and many other strategic growth questions in this issue of the *Edge International Review*. We hope that our collective efforts will act as a catalyst for your thoughts regarding your own firm’s unique situation.

Warm wishes for the success of all your ventures,



Gerry Riskin  
Founder  
Edge International

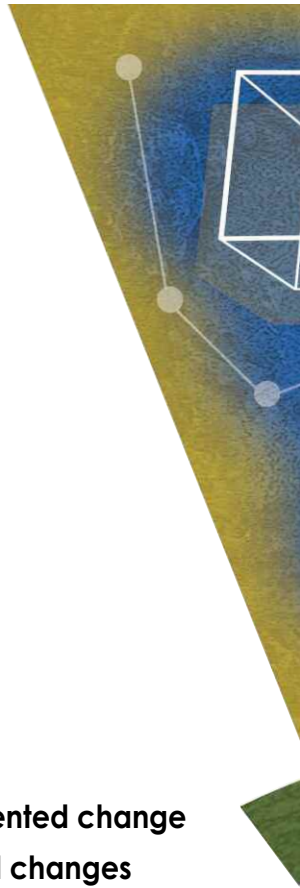


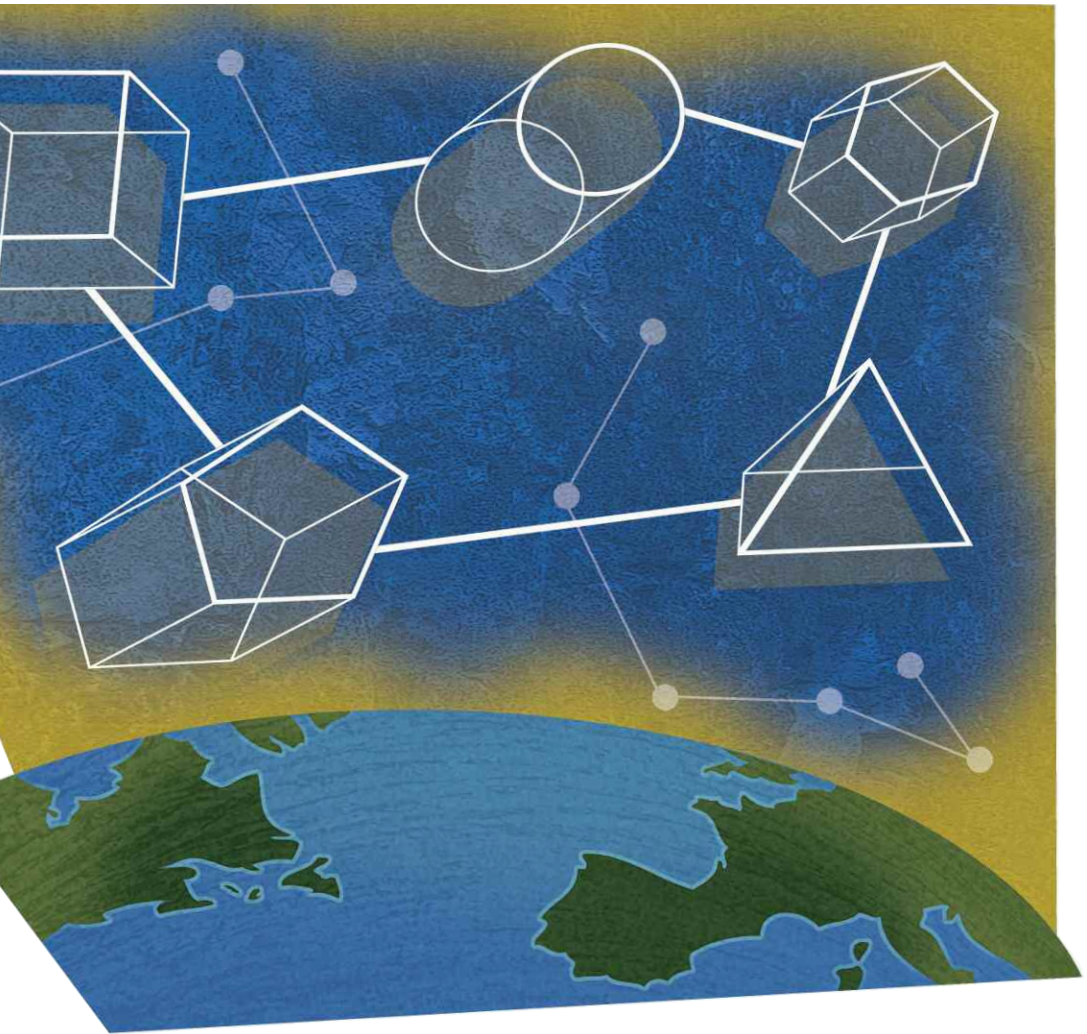
# Alternative Growth Structures:

A new constellation of non-merger options for expanding your law firm

We are in a period of genuinely unprecedented change in the legal market. Deep-seated structural changes have been ignited by a combination of economic downturn and deregulation, creating a constellation of different structures and models for providing legal services where once stood the near-universal model of a partnership of professionals.

**By Chris Bull**





**A**t the same time, new levels of competition and consolidation make growing, or even holding onto, your share of the market much harder. For the law firm determined to grow but unconvinced that merger will preserve the best things about their organisation or help achieve that goal, there is an expanding range of alternatives to evaluate.

Merger comes with a whole stack of compromises and tradeoffs, no matter whether your firm is in the dominant role (what the rest of the business world would call the acquirer) or not. Those compromises are often

unpalatable to a partnership accustomed to its own ways of doing things and a high degree of control over its destiny. At the same time, how do these firms compete for clients and people with ever-better funded, better marketed and more aggressive competitors?

## LEARNING FROM THE U.K. EXPERIENCE

When taking law firm leaders in the U.K. through their options for growing the firm, I focus on routes for independent firms to:

**A. compete in terms of a more powerful market position and channels to market; and to**

**B. harness genuine economies and efficiencies in their business infrastructure and purchasing.**

The pace of change in the British market has created more of these options than in any other major jurisdiction. The U.K. has become the world's "legal laboratory," initially in anticipation of the implementation of the *Legal Services*

*Act 2007*. Since early 2012, when the first Alternative Business Structures (ABS) were licensed, the development of experimental legal business models has been stimulated still further.

We have been working with a range of networks of all shapes and sizes, from purely domestic groups to the largest global structures.

## A GRANDER ALLIANCE

Quite a few firms are already members of referral networks and other alliances, many of them longstanding and generally loose federations. We have been working with a range of networks of all shapes and sizes, from

purely domestic groups to the largest global structures. Across the board, members are re-assessing the potential value of these ventures and examining what is required to unlock more of that value as the market changes.

We anticipate rapid growth of some existing groups and a formalisation of brand identity in some cases. This will be particularly true for networks in which a majority of member firms want to strengthen the collective brand in the market to compete against bigger firms or franchises, but which prefer



to remain independent entities. In other groups, we expect dissolution as members fail to agree on the pace or extent of future amalgamation.

Many firms not currently affiliated will join or create new groups and networks to strengthen their position. With a welter of new competition, big spending on marketing, and the need to invest in technology and process, there is a much stronger case for collaboration as opposed to going it alone. (See the next article by Nick Jarrett-Kerr for more on this subject.)

### **THE MDP ROUTE TO GROWTH**

Multi-disciplinary partnerships (MDPs) have been out in the cold since the tsunami of regulation and client aversion that followed the collapse of Enron. It is easy to forget that in some cases, particularly in continental Europe, accounting firm-led MDPs had become very serious players in the legal market up to that point.

The new regulatory environment in the U.K. encourages a range of MDP formats. Limited-shared ownership between solicitors and other professionals inside Legal Disciplinary Partnerships (LDPs) has already been operating for two years, with these firms now converting to ABS status.

High net-worth clients, with a closely interlocking range of needs for investment, tax, financial and legal advice, are a natural market for MDP models, as are SME businesses. We are once again seeing renewed, serious interest from banks, financial services businesses and accountants in building multi-disciplinary offerings incorporating legal services. As with almost every option in this article, this provides an opportunity for a minority of law firms to lead their own MDPs.

### **STEALING THE OUTSOURCER'S CLOTHES**

Some law firms have taken on the tactics of Legal Process Outsourcing companies (LPOs) and begun to work with corporate clients to develop another form of closer relationship. Managed legal service deals see firms take on all or most of a corporate client's legal function, providing the day-to-day support typically provided by the in-house team but also the less regular work that is passed to external counsel.

The law firm is accepting, in these deals, a block of low (or no) margin process-based work that would, in isolation, be unattractive. The benefits, however, include not only winning the lion's share of the more lucrative work the client spins off, but also securing a unique, and sometimes exclusive, position within the client that will defend the firm for a set period against competitors.

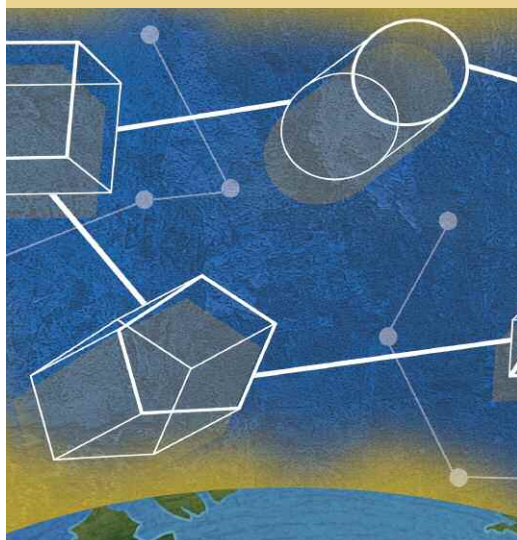
Both Eversheds and Berwin Leighton Paisner (which launched its own Managed Legal Service venture on the back of a deal with Thames Water) in the U.K. have taken strides in this direction. Top 100 firm Hugh James has executed a smart sequence of actions to consolidate all of its volume legal work into one division, set it up as a separate LLP, and rebrand it as “Inv-olegal,” now led by the law firm’s former managing partner and labelled as outsourced legal services.

### VIRTUAL REALITY

Another trend that responds to the demand for new ways of delivering services to corporate clients has been the “virtual law firm.” U.S.-based Axiom

## B2C: New options, opening fast

**Some of the U.K.’s leading B2C-focused firms have come together under a single brand. Quality Solicitors has built up a law firm network with almost 200 locations under a distinctive common identity.**



Add into the mix a national prime-time TV advertising campaign (accompanied by an iTunes chart hit theme song, surely a first for a legal business), in-store tie-up with leading retailer W. H. Smith, and a dose of notoriety (“Why does everyone hate Quality Solicitors?” was the tongue-in-cheek headline of a recent post on influential website Legal Futures), and this is the brand to catch for new entrants.

Quality Solicitors is essentially a marketing services membership model. The appeal of this model to independent firms who want to avoid merger or acquisition is

Law has become the leading example during its rapid rise to prominence, but the model is being adopted and adapted by others. For example, Keystone Law in the U.K. now has more than 100 solicitors working entirely from home offices and spanning the full range of corporate legal services.

These models are clearly not for every lawyer and are not attractive to every client. But their very existence and confident growth belies any claim that firms need an attractive office and the expensive infrastructure that goes with it. Law firms have certainly learned from these models, and many now use flexible working plans that are not just good corporate citizenship, but also are rooted in sound business benefits.

Berwin Leighton Paisner evolved this model much further and set up its

powerful: participating in a strong, nationally marketed brand that the firm could never afford to develop (or compete against) alone. That said, the jury is out on both return on investment and the potential reputation risk from the activities of so many other member firms.

The structural changes in the U.K. market were popularly dubbed “Tesco Law” for many years, reflecting the expectation that the large supermarkets and retailers would be the first in to offer legal services. It has been the Co-operative Group, operating a range of business from financial services to funerals to supermarkets, which has been fastest to build a legal services brand and was an early recipient of an ABS licence.

The leading retail banks have also packaged legal advice-line and drafting services to their personal and business customers, while other financial services and retail brands are examining the business case for setting up their own ABS.

This must be seen as a powerful competitive threat for law firms focused on the individual or small business, including some top

100 U.K. firms. But there is also a slew of opportunities for lawyers to operate white-labelled services on behalf of retail brands, many of which would hesitate before investing in the set-up of their own ABS law firm. These deals could provide a large increase in work volume with low costs of sale and limited impact on the firm's own market position and reputation.

The advent of mass-market, well-funded online channels for consumer legal services looks to be more disruptive than the changes noted already. Online legal services ventures are offering more “freemium” services, with the “core” service offered free of charge or for a nominal fee, in order to entice consumers into a long-term contract or to take other, chargeable services.

Although online is a serious threat to many law firms, there are opportunities to work with the new entrants and grow with them. U.S.-based online offerings like LegalZoom and Rocket Lawyer already operate an extensive network of small law firms and individual lawyers who provide the expert legal advice available through their sites.

own “virtual law firm,” founded on its alumni and existing contacts, called “Lawyers On Demand.” Other firms, including Eversheds and its “Agile” brand, are following suit, diversifying their legal offering in a new direction inspired by start-up virtual firms.

For the large U.K. or U.S. firm anchored in the expensive legal centers of London or New York, Mexican Wave 2.0 allows them to stream work effectively to lower cost locations and meet clients’ expectations.

### **MEXICAN WAVE 2.0**

“Mexican Wave” is a term coined many years ago to describe a commercial legal deal in which a lead-partner law firm sub-contracts specific types of work to other selected (typically smaller) firms. Lovells (now Hogan Lovells) struck a deal with insurance giant Prudential and a small set of regional U.K. firms to manage the insurer’s overall real estate law caseload and stood behind the quality of work done by the sub-contractors.

Amidst the new models emerging in the legal sector, Mexican Wave 2.0 is important, as a range of formal and informal deals are made between the large London firms and regional and national “sub-contractors” with different areas of focus, viable matter sizes and lower fees. For law firms looking to expand their workload without merger, becoming a sub-contractor is a serious option.

And for the large U.K. or U.S. firm anchored in the expensive legal centers of London or New York, Mexican Wave 2.0 allows them to stream work effectively to lower cost locations and meet clients’ expectations.

### **BUILDING GEOGRAPHIC COVERAGE**

I have not lingered long on the challenges of international growth in this piece. Related articles in this edition of the *Edge International Review* cover the important parallel developments that are enabling new merger options to open up across borders. Specifically, the use of Swiss Vereins and international alliances is challenging the received wisdom that the only legitimate way of achieving geographic coverage involves building a single firm with a shared profit pool.

### **A REAL ALTERNATIVE TO MERGER**

Despite the accelerating search for growth and the lengthy economic crisis, the actual pace of consolidation in the main legal markets is still modest



compared to predictions. Law firms continue to find many aspects of merger and acquisition very challenging.

Law firm leaders worldwide are keen to have a list of other options that could provide the growth and competitive boost they need without the loss of control and independence. Many of the alternative growth structures considered in this article, as well as in my colleagues' articles to follow, will be on those lists. •



## ***Architecting the new model firm***

**Chris Bull** consults with a range of legal service businesses — from established law firm partnerships to large corporate legal departments and brand new entrants — exploring alternatives to the traditional legal model and the opportunities these models present. Chris draws on more than 15 years as a leading practitioner and pioneer in law firm management and developing best practices in technology, process management, and legal outsourcing.

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# International Alliances:



**By Nick Jarrett-Kerr**

**T**here are a great many international networks and alliances from which to choose: Martindale Hubbell lists over 100 law firm alliances. Of these, there are 14 “large” networks with more than 100 law firm members and a further 13 that count between 50 and 100 members. Many of these networks enjoy some highly reputable law firms as their members: Chambers Directory of Global Lawyers lists 46

# How they work, what they deliver, and whether to join

Sheltering under the global umbrella of a leading network or alliance has long been a favoured option for independent law firms. It gives them the best of all worlds by maintaining their own autonomies, their own brands and their distinctive identities at the same time as appearing to be part of something a lot bigger.

networks with members that have achieved Chambers rankings.

A number of smaller networks can be described as “niche,” either by geography (*e.g.*, US Law is for U.S.-based firms only, CIS Leading Counsel Network is for firms in Commonwealth of Independent States countries only, Lexicon is for European firms only) or by specialty (*e.g.*, the Environmental Law Network).

Many of the bigger networks are focused on larger law firms and sizeable clients. Examples include Lex Mundi with 160 member firms (all of which are ranked in Chambers), Meritas with nearly 180 members, Interlaw with 116 members, and the State Capital Law Group with 145 members.

## REJECTING INTEGRATION

Until about five years ago, many of the leading alliances were actively trying to persuade their members to integrate more closely under their network brands, to provide variants of a federated law firm structure in order to compete with the larger global firms.

We have found, however, that almost universally, networks and alliances seem to have abandoned such strategies in favour of a more supporting and collaborative model. There are two main reasons for this.

First, many independent law firms do not want to appear to be openly competing with global firms, because they rely on those firms to refer local

work to them. A network brand that might make the independent law firm look like a branded federal firm prejudices both their fiercely guarded independence and their ability to draw referral work from large law firms. As one senior network manager told us, “Many of our firms work with the global elite and international business firms and prefer not to be seen as directly competing with these firms.”



**As one senior network manager told us, “Many of our firms work with the global elite and international business firms and prefer not to be seen as directly competing with these firms.”**

Secondly, feedback from larger commercial clients has tended to indicate that the clients are neither taken in nor overly impressed by umbrella brands; they quickly perceive the independent firm that lies under the umbrella.

## STANDARDS AND STRENGTH

However, what does seem to impress commercial clients is the existence of enforceable high standards and increased bench strength. Accordingly, many networks have concentrated their firepower on helping member firms differentiate themselves in their markets, by increasing their geographical footprints as well as by providing increased capabilities and greater team strengths.

Work on the network brand has tended to concentrate on developing “badges of credibility” by helping member firms to distinguish themselves through the prestige of membership, in terms of perceived quality standards and service consistency.



As Tanna Moore, President and CEO of Meritas, recently told us: “We did explore developing common proposals and deliverables with both our members and our client advisory board. [We] found that clients want to drive the common format, not have the firm or Meritas drive the format of those deliverables.

“If there is a coordinating firm, the client would provide the instruction on deliverable and the firm would provide project management,” Ms. Moore explained. “There was no perceived value in Meritas doing this. Our client input is from our Client Advisory Board, which is composed of 10-12 General Counsel-level clients.

“That being said,” she added, “we are in the early stages of success with shared business development efforts that are coordinated by a Client Relationship person at Meritas HQ. We are not pursuing any new ‘clients,’ but rather building on current relationships of our members who have clients with expanding needs.”

## **NETWORK CHALLENGES**

Networks do, however, generally suffer from five main areas of challenge which impede their progress and development.

### **1. Strong Relationships**

Collaboration works best when professionals get to know and trust each other. In networks that meet infrequently, the relationships tend to be held by a small group of individuals within each member firm.

This issue does not disappear in a large international firm, but well-led firms devote a huge amount of resources and effort to the development of inter-office relationships. There is often no leadership capability or mandate within networks to ensure similar relationship-building.

### **2. Consistent Standards**

Imposing agreed-upon standards within a network is far from easy. Many networks have become frustrated by their lack of success in introducing or imposing consistent quality service standards, common formats, and standardised documentation on their members.

Hence, greater efforts have recently been made towards enforcing higher overall quality and consistency. To support this, many alliances now have rigorous systems for evaluating member performance, supported by professional development initiatives aimed at enhancing members’ ability to

offer exceptional client service and by offering “best practice” resources to foster excellence.

### **3. Diverse Views Within the Membership**

Within any network, there tends to be a group which wants to move the network to a more federated and heavily branded organisation in which the name of the network would appear above or in addition to the member firm. The argument is that a seamless operation gives a better perception of size and standing.

Working against that, many network firms are fiercely independent and see the network as supportive to their own brands and reputation. There are no rights or wrongs here, but widely divergent views within the network can lead to fractious relationships.

### **4. Different Pace of Development and Size**

Many networks were created several years ago: the founding of international alliances was particularly popular during the last decade of the twentieth century. Early and founding members in different jurisdictions have often developed at different speeds both in terms of growth and size and in relation to their specialties and core clients.

This has led to some networks with huge disparities in capability, bench strength and critical mass among members. The larger firms then start to refer work to other firms with similar dimensions.

### **5. Funding**

It is expensive to support a bigger and better brand, as well as to secure consistency of standards, better internal relationships and deeper skills. Many networks are not sufficiently funded by their members to enable this to happen. Indeed, many network members already complain about the price of subscriptions even where the annual dollar or euro membership subscription remains a four-digit sum.

The creation of a federated platform would in particular require a large budget well outside the scope of most alliances; many strategic projects may also be too expensive. In looser alliances, there is a temptation to build the membership base as fast as possible to secure additional membership subscriptions, preferring quantity over quality.

## LESSONS FOR ALLIANCES

First, try to avoid a crisis of identity. If there are differing preferences between loose-knit and tight-knit, try to gain consensus on the type of network which is needed.

Secondly, based on a consensus that hopefully has been obtained on the sort of network that the alliance wishes to remain or develop, agree upon some measurable strategic goals for the support of members, the forging of a strong competitive position, and the development of client and business propositions.

Thirdly, it is essential to reach consensus on and establish some quality standards for the admission of new members and, more importantly, for the expulsion of firms that do not match up to agreed levels of service and specialty quality.

And finally, agreement should be reached about a selection of strategic objectives or initiatives designed to meet the network's overall strategic goals. •



## Positioning to compete

**Nick Jarrett-Kerr** is a specialist adviser to law firms worldwide on issues of strategy, governance, leadership development and all important business issues facing law firms in difficult market conditions. In the last few years, Nick has consulted to firms in 15 countries on three different continents. As Visiting Professor at Nottingham Trent University, he leads the strategy modules for the Nottingham Law School MBA strategy modules.

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# Innovative Associations:

## Non-merger models for extending a law firm's reach in India

**By Bithika Anand**

*India's prominence on the global stage continues to grow. Its economy is ranked third in the world on the basis of purchasing power parity and is growing at the fourth-fastest rate, while eight Indian companies occupy slots on the Fortune 500 list and most Fortune 500 companies have a presence here.*

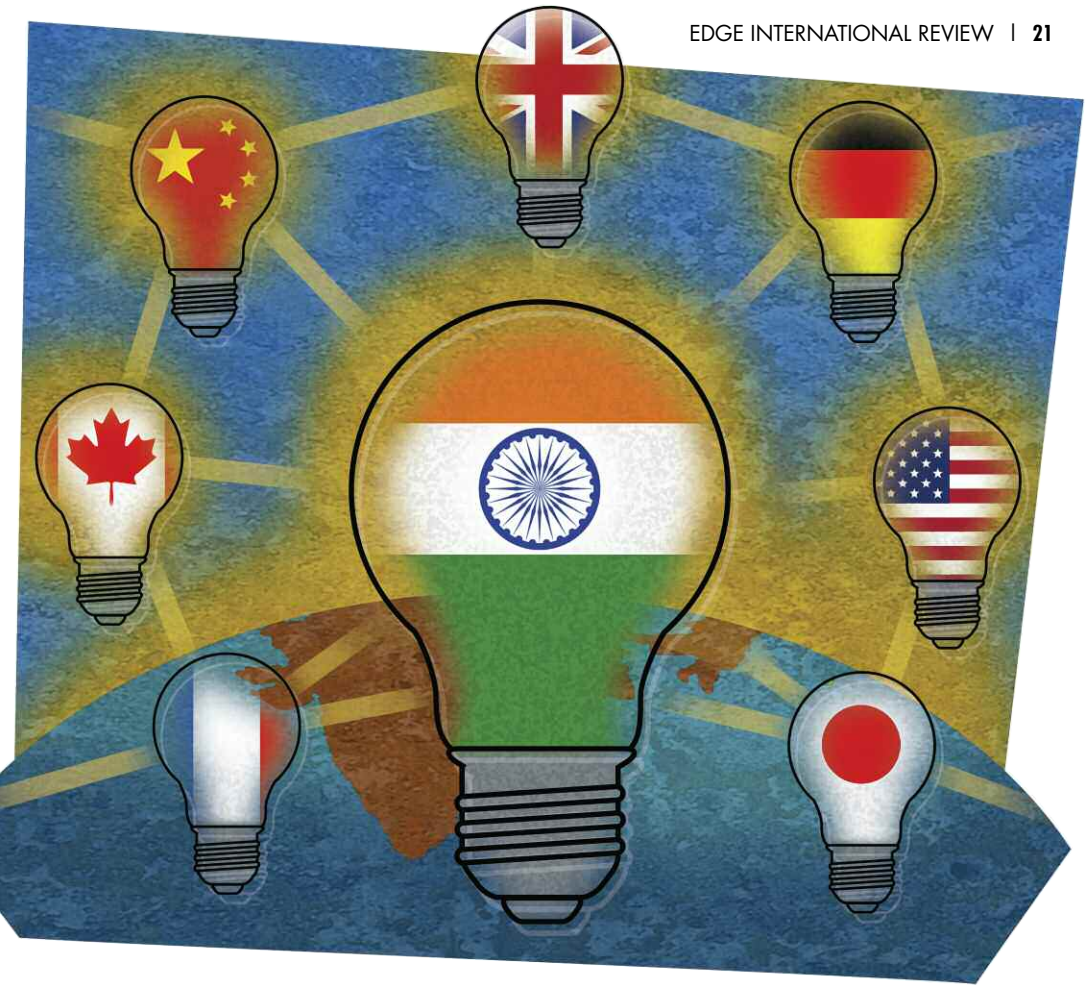
**I**t is therefore surprising to the casual observer that a majority of the world's most prominent law firms have no formal presence in India. Those who stay informed about the Indian legal marketplace, however, know that foreign law firms are banned from the practice of law in India. In the 2009 *Lawyers Collective v. Indian Bar Council* case, the Bombay High Court confirmed that foreign law firms are prohibited from practising either litigation or corporate advisory work in this country.

These two factors are not only encouraging many Indian firms to look at innovative ways to associate with each other that can maximize their combined potential; they are also prompting many foreign law firms to build relationships with local Indian firms to serve their clients better. In all these cases, simple mergers are bypassed in favour of more interesting solutions.

### **LOCAL AFFILIATIONS**

There are three principal non-merger methods by which Indian law firms affiliate with one another to increase their reach and impact.





### 1. One Banner, Different Roofs

The last few years have seen a wave of startup law firms in India. Some have been great successes, others have failed, and many others are stuck in the mediocre middle. This has given rise to a trend by like-minded small firms that continue to work independently from different offices and even in different cities, but that share a common brand name — either the name of the more popular firm or a new banner altogether. All other aspects of the business, such as infrastructure costs and accounting books, are maintained independently, allowing each firm to manage its own affairs while leveraging the same brand name.

### 2. Different Banners, One Roof

Conversely, some firms have benefitted from preserving their own name while finding other ways to share costs. These lawyers come together under one roof, sharing infrastructure and other costs, but operate under their own individual brand names in order to continue leveraging their most valuable asset. Sometimes, even the profits of the two firms are

merged into a common pool; in most cases, however, profits remain un-mixed and independent.

### 3. One Roof, One Banner, Different Profit Centers

This approach gained very little traction when it was first introduced, but it has recently started to gain more adherents. In this system, a famous lawyer and/or a successful and well-known law firm will lend its name and infrastructure to other lawyers, who in turn set up their own practices within its umbrella. The lawyers who gather under this umbrella agree to pay the firm part of their profits, akin to paying rent and providing royalties in order to work under the brand name and use the infrastructure.

## FOREIGN AFFILIATIONS

Despite (or perhaps because of) the *Lawyers Collective* decision, forming affiliate relationships with Indian law firms has become increasingly popular for foreign law firms. The most popular types of non-merger “associations,” each with distinct characteristics, can be classified according to four basic models: *ad hoc* referrals, *de facto* control, India desks, and best-friend affiliations.

### 1. Ad Hoc Referrals

Ad hoc referrals allow international firms to get the most out of their Indian counterparts. This system provides the foreign firm’s clients with effective and cost-conscious execution of solutions involving Indian law, given the disparate fees and pay grades between the Indian and international firms. It is also commonly used by Indian firms that either are in high demand, or cannot rely on a single or exclusive international partner to maintain their revenue streams.

This system of association is considered to be in full compliance with both India’s *Advocates Act* and the decision in the *Lawyers Collective* case. It is frequently used by Indian firms that would rather work with a variety of referring firms that provide expertise across all practice areas. It may not be appropriate for local firms that want to invest considerable time and energy in their association with foreign firms, since this system imposes no obligations of any kind on either side.

### 2. De Facto Control

The disproportionate gap between the financial strength of most international firms and most Indian firms might appear to make *de facto* control the preferred method by which foreign firms associate with Indian firms. This method was initially popular following the liberalization of the Indian economy and peaked with the Reserve Bank of India’s 1994 decision to

grant liaison licences to three international firms to operate in India. The *Lawyers Collective* ruling has since limited the extent of control that a foreign law firm is permitted in India.

Nonetheless, some international law firms are believed to have taken this approach quietly, by essentially “taking over” an Indian firm or indirectly helping Indian lawyers start their own local firm which operates locally but serves as an informal Indian “office” of the international firm. These firms do not share profits, which is prohibited, but they do share fees and referrals to make this method financially viable. Foreign firms that have *de facto* control over Indian firms face stiff opposition from the BCI, and they will continue to be looked upon with suspicion.

### 3. India Desks

India Desks allow international firms to display their association with India without any local legal restrictions and boosts confidence among their clients in India or with interests here. International firms are increasingly opening up India Desks, most prominently in their London and Singapore offices. These desks are well outside the restrictions imposed by *Lawyers Collective*, since foreign firms can obviously work on matters of Indian law provided they do so from offices outside of India.

In actual practice, however, it has been observed that international firms with India desks continue to refer matters pertaining to Indian law to lawyers based in India, primarily due to the costs involved (lawyers in India cost less than global firm lawyers stationed at these desks). The desks often end up servicing their Indian and foreign clients on elements of foreign law and as transactional middlemen who engage appropriate counsel in India itself.

### 4. Best Friends

In the wake of the *Lawyers Collective* decision, international law firms seeking a strong, long-lasting association in India have sought to create exclusive “Best Friend” relationships with an Indian firm. This arrangement, which is entirely legal, operates as an exclusive referral relationship between the two firms, allowing them to invest their time and energy in what each side perceives as a stable, long-term relationship.

As part of their commitment to each other, the two firms share technical, administrative and managerial knowledge in order to synchronize their firms’ business culture and structures. Firms that have initiated “best friend” relationships aim for higher client satisfaction through better synergies and joint training exercises, the commitment of an exclusive referral arrangement, and reliably long-term knowledge-sharing opportunities.

## CONCLUSION

India's stance on the liberalization of its legal industry finds approval in some quarters and opposition in others. But nobody doubts the strong desire of international law firms to be associated with the Indian legal marketplace through the available legal means. Increasing inbound and outbound investments involving India, coupled with the intricacies of cross-border transactions, makes associations between Indian and international firms not just highly desirable, but also, to an extent, unavoidable.

Picking the best model of association is a decision that requires a strategic insight into a firm's long-term strategy, its size, its expected volume of work, and various other factors. At the end of the day, the best choice for one firm may drastically differ from the best choice for another.

What is clear is that those firms that have made an informed decision from among the various modes of association, both Indian and international, are best positioned to enjoy a long-lasting association, better financial health, improved client satisfaction and more efficient client service. •



## *Incisive insights*

**Bithika Anand** is the founder and CEO of Legal League Consulting (LLC), the first Indian management consulting firm to offer strategic and operational solutions to India's legal industry. With more than 23 years experience in the professional services domain, Bithika helps her law firm clients with strategic planning, branding, marketing and business development, human resource management, and numerous other aspects of law firm operations.

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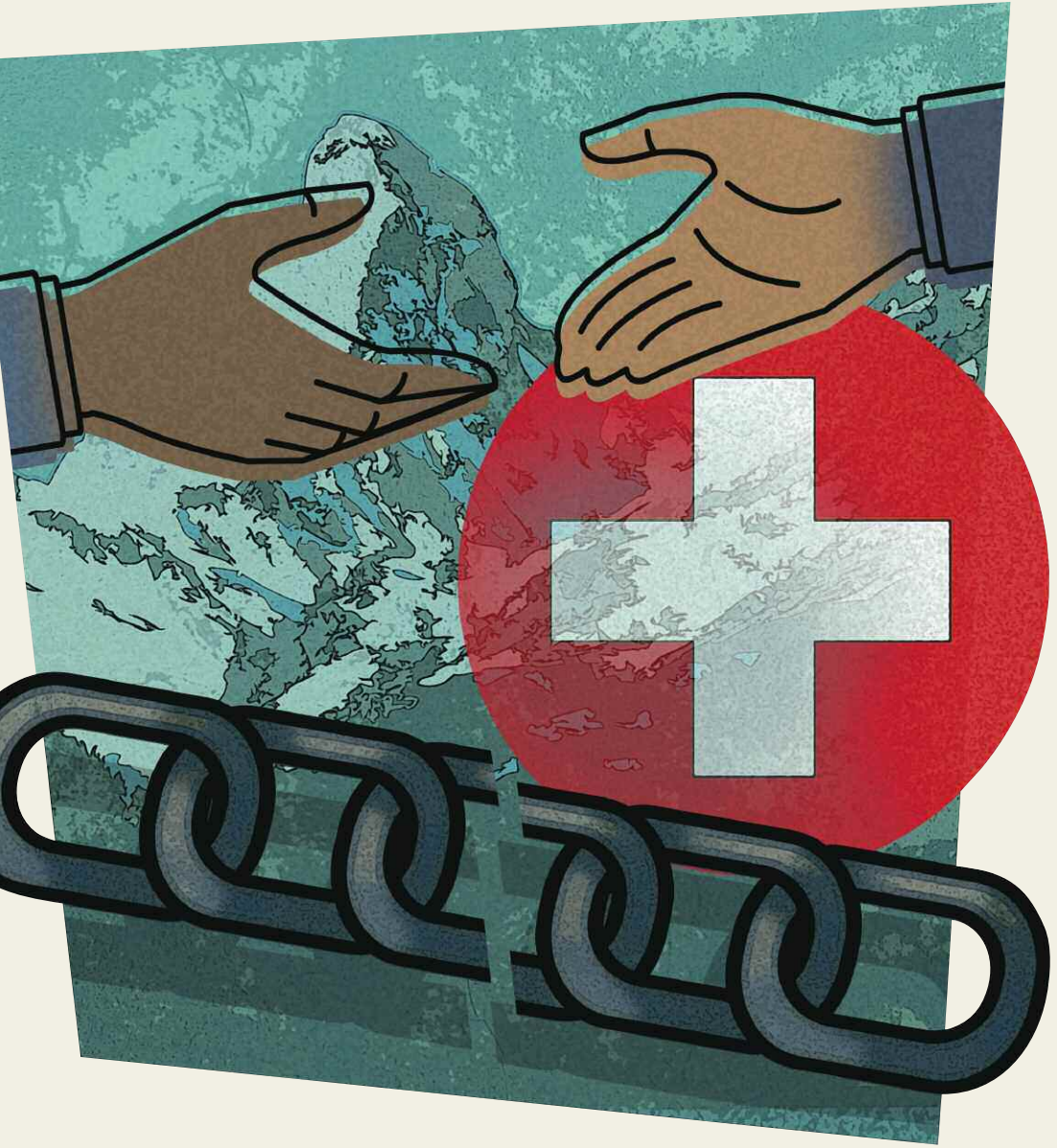
THE SWISS VEREIN

# Enter the *Swiss Verein:*

21st-century global platform  
or just the latest fad?

*After years of anticipation, true global consolidation on a significant scale is finally occurring in the legal industry. The driving influence appears to be the availability of a structural vehicle that helps firms deal with the legal and functional hurdles of international mergers. That vehicle is the Swiss Verein.*

**By Nick Jarrett-Kerr and Ed Wesemann**



**T**he Swiss Verein (*fer-INE*) is not new; it was originally designed for the international affiliation of non-profit entities (the word “*verein*” means “association” or “club” in German). The creation of a verein under Swiss law permits a variety of entities to affiliate while maintaining their status as individual legal organisations.

Through a verein structure, a collection of law firms, organised under different corporate or partnership structures in different countries, can present itself internationally as a single organisation without complying with the regulations and tax codes of each country in which the verein operates. This conveniently avoids regulations regarding the qualifications of law firm owners and the necessity of member firms filing multiple tax returns around the world. A Swiss Verein is not subject to the regulation of the Securities and Exchange Commission in the U.S. or similar regulatory bodies in other countries.

Perhaps the most significant advantage of a Swiss Verein structure is the avoidance of two of the biggest stumbling blocks to large-scale mergers. First, members of Swiss Vereins do not share commercial or professional liability for the debts or actions of other member firms. Second, there is typically no sharing of revenues or pooling of profits. As a result, the ticklish due diligence issues, differences in profitability and compensation schemes, are not a problem in a Swiss Verein.

Perhaps the most significant advantage of a Swiss Verein structure is the avoidance of two of the biggest stumbling blocks to large-scale mergers.

Despite their increasing popularity as more and more global players connect, Swiss Vereins are not new in the legal world. Baker & MacKenzie is a Swiss Verein; so are DLA Piper, Squire Sanders, Norton Rose and SNR Denton. The prospect of a huge global brand operating by local rules has driven a recent surge in adoption of the verein structure, as demonstrated by the well-publicized Hogan Lovells (U.K. and U.S.) and King & Wood Mallesons (China and Australia) Swiss Vereins.

## THE GRAND ILLUSION

**G**iven the advantages of a Swiss Verein, why would any international law firm choose to operate as a partnership? The biggest concern is that Swiss Verein law firms are loose affiliations one step removed from law firm networks like Lex Mundi. Peter Kalis, the chairman of K&L Gates (which operates internationally without the use of a verein), told *The American Lawyer* in May 2011 that “vereins are kaleidoscopic. With spin and mirrors, two or more members can be perceived as one. They are the antithesis of a single firm.”

Critics argue that vereins are simply marketing platforms without the common culture, shared knowledge and standardised practices that single partnerships enjoy.

Critics further argue that vereins are simply marketing platforms without the common culture, shared knowledge and standardised practices that single partnerships enjoy. These critics question whether clients will buy into the illusion of a Swiss Verein functioning as a single law firm, and whether lawyers operating in separate firms using the same name will be eager to cross-sell each other's services.

Some firms, however, do practise internationally in a decentralized governance structure; for them, the Swiss Verein arrangement can prove suitable. DLA Piper moved to a Swiss Verein structure in 2008. Joint CEO Sir Nigel Knowles told *The Lawyer* at the time that the Swiss Verein would actually help to decentralise the firm's governance.

“What we're pushing hard on is not financial integration, but business integration,” Knowles was quoted as saying. “There will be a lot more money going into dealing with global expansion and rewarding partners. The important thing about the verein structure is that it allows the right sort of governance, because it gives independence to the holding vehicle and emphasizes that we're neither a U.K. nor a U.S. firm.”

### THE FUTURE OF SWISS VEREINS

Undoubtedly, the Swiss Verein has accelerated the scope and scale of international mergers. Norton Rose's massive assemblage of firms in South Africa, Canada and Australia over a span of months, as well as the combination of Australia's Mallesons with King & Wood in the PRC, would never have occurred without the use of Swiss Vereins.

The bigger question in the minds of many observers is whether the Swiss Verein is a transitional structure used to create mergers that are later back-filled with proper law firm organizations, or whether they represent a long-term change to the way law firms will govern themselves in the future.

The Swiss Verein has been used for decades by global professional services firms to achieve their growth objectives, but questions remain. The accounting firm Deloitte operated for many years as a Swiss Verein, but decided in 2010 to shift its international management and governance to a newly created U.K. private company.



Strategy should determine the correct architecture for any organisation,

but it has been all too easy for law firms to use perceived structural difficulties as an excuse for doing nothing.

A Deloitte spokesman told *The Guardian*: "After decades of operating as a Swiss Verein, we recently decided to take a fresh look at our legal structure in order to determine whether it was the optimal organisation, now and in the future. We concluded that, although the verein structure had served us well over the years, we had outgrown it."



U.K.-based Eversheds is currently reviewing its own plans to accelerate integration amongst its international offices. Eversheds CEO Bryan Hughes recently told *The Lawyer*: “We’ll be driving integration across the whole business in a number of ways: system enhancement, increasing the number of secondments, and particularly through the internationalisation of our practice groups, sectors and client service teams.” Bryan Hughes has told us, however, that it is highly unlikely the firm will establish a Swiss Verein to achieve these objectives.

Moreover, regulatory issues can affect individuals as much as firms, and the Swiss Verein structure might not help with such problems. In some jurisdictions, such as the U.K., foreign lawyers can become partners of local law firms by registering in that country as a registered foreign lawyer. However, in most jurisdictions, this route is not open and foreign lawyers must remain as consultants or in some other capacity. Nevertheless, they can enter into a form of partnership if their firm organises their economic partnership interests through an offshore law firm corporation.

Strategy should determine the correct architecture for any organisation, but it has been all too easy for law firms to use perceived structural difficulties as an excuse for doing nothing. We have seen expansion, mergers and team acquisitions all routinely abandoned because of structural or premises issues, and it is clear that cross-border consolidation has in the past frequently stumbled because of perceived organisational problems.

## THE KEYS TO A SUCCESSFUL MULTI-OFFICE FIRM

**T**he Swiss Verein is far from a “magic wand” to solve a firm’s problems, but it does provide a useful option for both international and inter-state mergers. Whatever structure is used as a platform for a multi-office law firm, it must take into account these four strategic issues.

1. The structure must be tax-effective: it is usually best if members or partners are taxed in their own jurisdictions.
2. The structure must provide for regulatory safety. A Swiss Verein can be useful in providing an environment that would take account of the relative laxity of some jurisdictions (*e.g.*, the U.K.) and the rigour of others (*e.g.*, most U.S. states), in the event that, say, an externally financed U.K. firm seeks to merge with a U.S. firm.

3. In some cases, it is useful to limit the cross-border liability of partners and members, in order to hedge the risk of legal problems in one country affecting the whole network.
4. Finally, and perhaps most importantly, the structure must be able to provide the right sort of governance, in order to keep the firm from becoming simply a loose association of independently run law firms operating under an umbrella brand.

In our opinion, the Swiss Verein can provide safety in the face of the first three challenges, and, with strong leadership, can prove to be the right vehicle for a decentralized international firm. •



## **Global strategic expertise**

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THE SWISS VEREIN

# Harvesting the Diamonds:

## Cross-selling in a multinational law firm

*If you've read the previous article by Nick and Ed, then you already know that "verein" is the German word for "association." That relatively casual and distant word reflects the fact that such firms typically involve separate profit centers, a financial state of affairs that does not always encourage cross-selling to the same degree that full-fledged "partnerships" do.*

**By Gerry Riskin**



I would argue, however, that this need not be the case. Cross-selling is more than simply possible in a verein; it can flourish, for many compelling reasons that transcend direct financial implications. I consider the potential yield from verein cross-selling to be like diamonds that are virtually lying on the ground but that go unharvested. I hope both to explain this phenomenon and to provide a blueprint to overcome it.

Let's begin with some safe assumptions:

1. The substantive practices of lawyers in global firms tend to be high-quality.
2. Global firm lawyers base their self-esteem on the perception of their excellence.

### 3. Uncertainty surrounds any attempt to arrange foreign work for a client, creating a greater need than usual for quality assurance.

In this context, an individual partner might wonder: “Why don’t my partners in our other offices around the world refer their clients to me?” That lawyer might not want to hear some of the honest answers to that question:

- A. They don’t trust you.
- B. They don’t respect you.
- C. They don’t even know you exist.

Individual lawyers tend to react poorly to these assertions. But I ask them not to take it personally; it’s not usually their fault. Let’s explore each response more closely:

**Trust:** Your internal referral sources might have become jaded by unhappy past experiences referring work to others. Unless you have a clear track record to the contrary, they will be unsure whether you’ll respond promptly to their clients or bill them fairly. All too often, lawyers who refer work have been made to feel they were little more than a license to print billable hours.

**Respect:** How should your partners in other offices know how competent you are? If you think they are going to simply assume your excellence because you belong to the same firm, think again. Like you, they are more concerned about the quality of the legal service their clients receive than with whether they are complying with firm policies like cross-selling.

**Existence:** Lawyers can’t refer work to someone they’ve never heard of. If a client expresses a need for services in your jurisdiction, the referring partner likely would indicate that the firm has an office where you are and — subject to “trust” and “respect” — will find you through your office leader and send you the work. That’s a “reactive” referral. However, whether the partner will initiate the process of sending you work — a “proactive referral” — will depend heavily on your profile and reputation. This hinges, in turn, on your internal marketing.

## INTERNAL MARKETING: THE KEY TO CROSS-SELLING

When we explore business development (*i.e.*, external marketing) with partners,



they naturally appreciate the need to promote their expertise in the market, enhance their reputation and profile, and build relationships. When you think about it, internal marketing is no different.

If a lawyer is regarded as a world-class expert with a fabulous external reputation and is widely known among clients, prospective clients and referral sources, then of course internal marketing will be much easier. However, the internal piece must not be taken for granted: it will require additional effort for the lawyer above and beyond his or her marketplace reputation. Here are three key initiatives:

### **1. Demonstrate Expertise Internally**

There is no better way to demonstrate your expertise within your multinational firm than to help other members (locally, regionally, and internationally) perceive that expertise. The lawyer might participate on panels at firm meetings and events, conduct internal webinars, or take an active or leadership role in a firm-wide practice group, industry group or client team. Remember, expertise can include both substantive capability and industry knowledge.

### **2. Build Reputation Internally**

Lawyers who are effective at developing business tend to leverage their intellectual capital. For example, a speech or presentation might also be created in the form of a video, article or blog post, typically published on the firm's own website or internal newsletter. In this category, the lawyer is leveraging an external activity in such a way that it obtains internal recognition as well.

### **3. Build Relationships Internally**

I have seen lawyers in some multi-office firms come to a firm-wide retreat with a premeditated internal business development plan that involves making or nurturing the acquaintance of lawyers in other offices. In one instance, such activity led to the largest file in a certain practice area that the lawyer had ever obtained. Other efforts along these lines involve frequent telephone contact, either purely personal or for discussions of mutual business interest. Relationship building is a contact sport and requires continuous effort, internally as much as externally.

## **QUALIFYING FOR THE REFERRING LAWYER'S TRUST**

A lawyer might successfully build internal expertise and a commensurately high internal profile and reputation, but still not see an inflow of referral

work. That's because a further condition precedent is often ignored: trust. Here are the (often unasked and unanswered) questions that are on your partner's mind:

- Will you protect my reputation with the client?
- Will you keep me closely informed of progress, so that I can confidently communicate with my client on this matter?
- Will my client get value (real and perceived) for the fee you'll charge?
- Will you reinforce my confidence in you by treating my referral like your most important client, no matter how small the client or the matter?

The capacity to reciprocate is almost never balanced. It is common to find that we cannot come close to providing equal reciprocation to foreign partners for referral opportunities. Accordingly, your strategy must not rest upon that. Nonetheless, potential referring partners should see your awareness of that issue and your best efforts to address it openly and honestly. At the very least, ask your potential referrers what if any reciprocation opportunities they see.

### **INTERNAL CROSS-SELLING REQUIRES STRATEGY**

Many lawyers take a "sand on the seashore" approach to business development. The sand rests quietly beside the sea, awaiting the ocean's conditions to change; its future depends entirely upon whether the sea will pick it up, and if so, where it will be deposited. Lawyers who believe their future work depends on what clients and referral sources might choose to send them are like the sand at the seashore.

Lawyers have the option of contemplating the nature of the work they prefer as well as the clients they prefer serving. It is important to appreciate that this extends to internal clients and referral sources as well. Individual lawyers, teams, and offices must determine beforehand the nature and source of their preferred internal referrals. Only then can they make the efforts described above more surgical and precise and render their internal business development far more efficient and effective.

Amidst the day-to-day pressures of serving clients, there might seem to be

little time to strategize and implement plans of the nature I have described here. However, I argue that in any multi-office firm that does not share profits, and in a Swiss Verein especially, you cannot respond to the default propensity against internal cross-selling passively, like sand at the seashore.

You must form the premeditated intention to earn inbound work. You must be, in the mind of the referring lawyer, the very best resource available to them and their client in the circumstances. The firms that get this right will be the ones to enjoy the yield from the harvest of those diamonds that are lying in the ground beneath their feet. •



## ***Your preferred future***

**Gerry Riskin** is founding partner of Edge International. He specializes in helping law firms around the world create and execute their strategic plans. This article was based on a chapter of Gerry's book, *The Successful Lawyer*, published by the ABA and available at Amazon.com.

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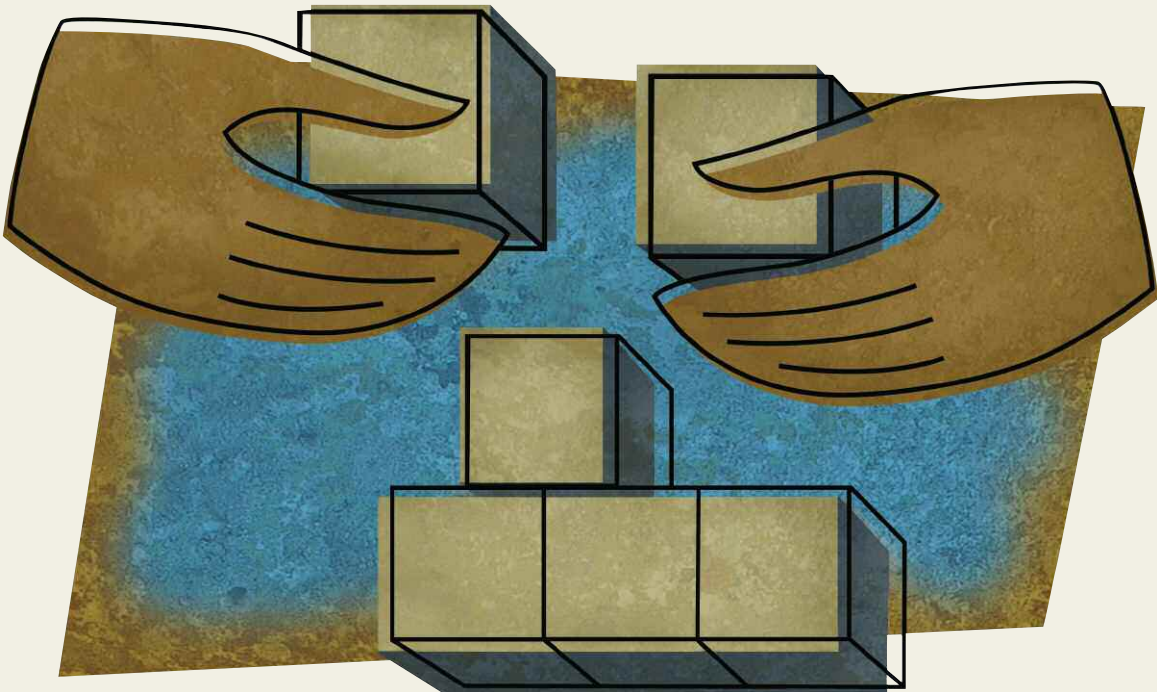
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THE SWISS VEREIN

# Come Together:

Creating a collaborative business development culture despite separate profit pools



*Thirty years ago, who would have thought that the market for legal services could support a 3,000-lawyer law firm while witnessing the evaporation of a 1,000-lawyer law firm virtually overnight?*

**By Michael J. White**

**I**n its own way, “BigLaw” is shedding its deference to traditional models and is quietly experimenting with new ways to support increased scale. Firms are taking measured risks to accelerate growth and increase profitability, organically and otherwise. While the allure of size and scale still exists, law firms are mindful of the very public “growth-at-any-cost” train wrecks of the recent past and are moving in their own incremental way.

Swiss Vereins and other separate profit pool models are among the new structures attracting interest, demonstrating that scale can be achieved while still accommodating heterogeneous profit pools. But with the advent of these new models and approaches, new impediments to collaborative business development are also emerging.

## **THE ISOLATIONISM OF LAW FIRMS**

**I**t is important to understand the intrinsic “separateness” of even traditional unified law firm partnership structures with single profit pools. Many firms, if we are being honest, are really made up of partners charged

## If a firm's financial incentives and cultural traditions don't foster business development collaboration, it should hardly be a surprise when collaboration doesn't happen.

with running individual practices. Modern compensation structures motivate the partners to be self-sufficient and discourage any collaboration that fails to promise immediate self-interested return.

The diffuse, flat, and non-hierarchical management structure of traditional law firm partnerships simply does not encourage revenue-seeking collaboration among partners. If a firm's financial incentives and cultural traditions don't foster business development collaboration, it should hardly be a surprise when collaboration doesn't happen. This is the present state of play in traditional single-profit-pool partnerships; imagine the challenge in firms that support separate profit pools!

Other idiosyncrasies bound up in law firm partnership models discourage business development collaboration, namely:

- Law firm partners' entire vocational mentality was forged through individual achievement in the classroom, largely unreliant upon anyone else. In fact, the most successful pre-law and law students have a sort of "anti-dependency" mentality: Working with others could only slow them down because they were operating at such a high level on their own.
- Staffing practices within law firms encourage the development of teams made up of lawyers who work discrete aspects of matters depending upon experience levels; each lawyer individually contributes self-contained work product, rather than submitting jointly developed work product to the larger whole.
- Confidence also works against collaboration. Lawyers are particularly reluctant to work on anything where they have less than



baseline competence. Lawyers are shielded from cultivating their business development skills for so long that when the time comes to make it a core competency, their skills are no better than emerging. In those circumstances, collaborating with peers using atrophied business development skills is not very appealing to partners.

### EXCERBATING LAWYER AUTONOMY

**H**ow do separate profit pools exacerbate this inbred autonomy? Most law firms are enterprises bound together primarily by a shared economic aspiration. Beyond their individual contribution to overall financial performance of the firm, partners know that their economic opportunities depend on a rising tide: when others in the firm do well, it contributes to that tide. Of course, internal turf and political squabbles can negate this alignment, but in the native state it holds true.

Separate profit pools break down this economic alignment, however, sometimes fatally. Because of the reasons listed previously, the existence of

**Unless there are other operational and cultural ties that bind, partners will not find any structural or visceral reasons to collaborate with their peers on business development efforts.**

separate profit pools allows partners to defer to their natural default of “separateness.” Unless there are other operational and cultural ties that bind, partners will not find any structural or visceral reasons to collaborate with their peers on business development efforts.

### ENCOURAGING BIZ-DEV COLLABORATION

**N**onetheless, multi-office law firms and their separate law firm profit pools are here and they show no signs of going away. How can such a firm create and operationalize a collaborative culture among its partners

around business development and client cultivation? Here are a few concepts that these firms should support in order to create a “1 + 1 = 3” business development environment:

### 1. Practice Group Synergies

Whether in a single-profit pool firm or a separate profit pool firm, partners are reliably illiterate about the obvious synergies among practice groups and partners that can fuel business development. For example, labour and employment litigators and lawyers who structure HR outsourcing deals are

**Clients with which law firms have built up meaningful equity through their historical relationship are generally farther along in the buying process than a “stranger” prospect.**

often unaware of each other, even though they “sell” to the same decision makers. Identifying the most obvious potential synergies between practice areas is a good first step in getting serious about creating a collaborative business development culture.

### 2. Client Synergies

We’ve all experienced the rampant cynicism among partners concerning cross-selling aspirations and efforts; these are all the more evident in global firms (see the article previous to this one, by Gerry Riskin). But while there are mechanical and execution-related reasons why firms fall short with these efforts, the logic and strategy still hold together. Clients with which law firms have built up meaningful equity through their historical relationship are generally farther along in the buying process than a “stranger” prospect. The easiest source of new business is and has always been the existing client.

### 3. Reputational Tailwind

Goldman Sachs and McKinsey are good examples of professional service firm cultures that are so strong, many of the firm’s principals attribute their

success to the dominance of the firm's reputation. As a result, these principals embrace partner collaboration, particularly as it relates to sourcing new business. Law firms would benefit from emulating this culture and by educating partners about their best-of-breed and market-leading capabilities in particular practice areas and sectors. Perceived dominance in multiple areas often encourages prospects to credit a firm for dominance in other areas: cultivating this perception internally can powerfully accelerate collaborative activities.

## KEY ELEMENTS OF COLLABORATION STRATEGIES

**S**eparate-profit-pool firms that support these concepts can fulfill their business development potential by including some of the following elements in their strategies to incubate and drive business development collaboration among partners:

### 1. Education and Awareness

Firm leadership must embrace the challenge of separateness and give full-throated support to efforts to involve partners in overcoming these challenges. When it comes to business development collaboration, partners should hear leaders say, loud and clear, "This is who we are."

To that end, the firm can't expect partners to rally around an institutional mission until it educates partners fully about all the intersections, synergies, and internal connections the firm wants them to exploit. Provide partners (in writing) all the processes they need to begin their efforts.

### 2. Specificity

Partners can spend an undue amount of time in the planning and hypothetical realm, allowing them to defer (or even avoid altogether) engaging in a real, live, collaborative business development pursuit. After developing their

**Firm leadership must embrace the challenge of separateness and give full-throated support to efforts to involve partners in overcoming these challenges.**

“GPS system” through some initial planning, partners need to go out and apply the client cultivation methods to a real target. Get out there and get started!

### 3. Accountability

Partners should know they are being watched. They are expected to make a commitment to these types of activities and they will be held accountable. Of course, the firm can and should establish this accountability and gain visibility into partners’ efforts positively, by providing promotional, budgetary, and business development support.

**The Swiss Verein separate profit pool structure solves many challenges for acquisitive and growth-oriented firms, but it can also compromise culture, particularly the culture around business development collaboration.**

### 4. Financial Incentives

Highly compensated professionals rarely implement anything if they do not benefit financially from making the necessary implementation commitment. Firms usually rely on the generalized compensation system to create these incentives; often, however, these overall incentives from which all partners benefit are insufficiently personal and specific to make individual partners take up the cause.

An “MBO” (management by objectives) approach is a good way to jump-start motivation. Pick a discrete objective that a limited number of partners are expected to make happen, and give those partners a freestanding bonus if they achieve the stated business development objective (*e.g.*, Partner A can earn up to \$20,000 extra comp if she adequately helps a specific new lateral partner achieve his portable business goal).

## CONCLUSION

**T**he Swiss Verein separate profit pool structure solves many challenges for acquisitive and growth-oriented firms, but it can also compromise culture, particularly the culture around business development collaboration. Both single and separate profit-pool firms can go a long way toward establishing a collaborative revenue generating culture if their leadership lays out an intentional roadmap, expectations, and set of processes that partners can adopt to build such a culture. •



## Driving business strategies

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THE SWISS VEREIN

# Lead The Way:

## Leadership, guiding principles and brand strategy in a Swiss Verein

Several benefits flow from the use of Swiss Verein structures for merged, associated and multinational law firms. I had personal experience of this kind of structure when I joined the Perth office of Minter Ellison in Australia back in 1999.

**By Sean Larkan**

**I**n Perth, we were fully autonomous, operated a separate profit pool, maintained our own compensation system and business model, and had separate professional and commercial liability for debts or actions of our respective partners. However, we also operated under the same brand name and cooperated very closely on a number of fronts. Effectively, we worked under a Swiss Verein structure.

This structure worked well for us, but it also provided a number of unique challenges.

### THE CHALLENGES OF A SWISS VEREIN

In addition to the concerns addressed by my partners elsewhere in this special edition of the *Edge International Review*, the Swiss Verein structure creates at least five other challenges for its users.

#### 1. Partner Perceptions and Conflicts of Interest

It is difficult enough to get partners in a fully integrated, profit-sharing, multi-jurisdictional firm to fully collaborate and share both resources and client opportunities. It is even more challenging within a Swiss Verein. Some partners regard it simply as a loose





affiliation, especially if performance and compensation are assessed by what they personally do and what happens on their own turf.

## **2. Leadership**

While Swiss Vereins normally appoint an overall leader, member entities are usually led by locally selected leaders. This ensures a significant and often welcome level of autonomy for the individual entities, but it also provides a significant challenge for ensuring that overall vision and strategy is followed through at the local level.

## **3. Consistency and Discipline**

When it comes to performing roles and supporting overall strategy, Swiss Vereins present particular challenges of consistency between and discipline among partners, departments, divisions and local offices. Geographic dispersion and language and cultural differences among jurisdictions exacerbate the usual difficulties in this regard.

## **4. Alignment of Strategy and Strategy Fundamentals**

It is not uncommon to see a Swiss Verein's vision and strategy developed entirely independently

within each merged entity at the local level. In some cases, there is little or no communication around these, or even no sharing of strategy or alignment.

## 5. Brand and Identity

A merged entity's brand is potentially an extremely valuable asset. But even in a merged profit-sharing entity, there is seldom a proper understanding of brand and its potential value. This is even more of an issue within a Swiss Verein structure.

## OVERCOMING THESE CHALLENGES

I would like to address three of these challenges in particular: leadership, developing guiding principles, and brand. These elements have the greatest potential to integrate the aspirations and activities of merged entities that do not share profits.

# Insider report on Swiss Verein branding

One global firm that operates as a Swiss Verein, and which recognises these challenges and has taken steps to address them, is Norton Rose. As a consequence, firms within the group have developed their brand strategies to support the overall group strategy and have developed significant brand value within their local markets.

I recently spoke with Rob Otty, managing director of Norton Rose Africa. Here are his thoughts regarding brand in his firm.

*"Brand is very strategic to us. It is too important for a leader not to play an active role in seeing that it gets the attention and support it needs. We take it very seriously and we recognise the value of our global brand and how this translates in local terms.*

*"We have also learned a couple of very important lessons in regard to brand. First, clients are not stupid. They quickly pick up if you do not deliver on what you promise or say you will do. It is absolutely essential that we ensure that they experience our service in the way we say we will deliver it. Only in this way do we build credibility*

*and trust in our brand.*

*"Secondly, the role of our partners and staff internally [is critical]. We keep them briefed on the progress of the brand and its value in the market. We track it and measure it on an ongoing basis. It is also an agenda item for our annual partners' conference. We make sure this information trickles down throughout the firm. In this way, I believe we have built their support and involvement around the brand. There is now a good understanding of brand internally, and staff do appreciate the linkage of the brand to our values of quality, unity and integrity.*

*"Thirdly, [we have seen] that our brand can have a value beyond the realm of the legal industry. Norton Rose has only been in South Africa for just over a year, [yet] our brand was recently voted the 17th-most aspirational brand to work for, the only law firm appearing in the list of the top 50 brands of all organisations. This is a wonderful achievement for the firm and, in particular, in regard to our employment brand. We put a lot of effort into our employment brand and see it as a pillar to our future success."*

## 1. Guiding Principles

Firms within a Swiss Verein structure should agree on overarching guiding principles, codes of conduct, and protocols, which must then be discussed, communicated, and followed. This ensures a sensible level of discipline and consistency among member entities without creating unnecessary levels of bureaucracy or complexity.

Obvious as this might seem, it is surprising how often this simple yet important step is overlooked in multi-office firms. Often, local firms are accustomed to operating autonomously with their own profit pools, compensation systems, governance and leadership. Where guiding principles or codes of conduct do exist, they are sometimes little known and less often followed.

Here are examples of some critical items that can be covered under guiding principles:

- overriding values, intended cultural attributes and core purpose;
- common ways of delivering service;
- common systems and processes;
- rules for addressing conflicts of interest;
- fee-sharing principles;
- protocols governing doing work in another's jurisdiction or with another's clients;
- centralized intellectual property (contributions and access);
- staff swaps and transfers;
- partner moves between offices; and
- firm-wide practice group and industry sector teams.

## 2. Leadership

A Swiss Verein requires a special calibre of leadership, one that can make or break the success of the multinational entity. Leadership must not only provide a guiding hand to the merged firm, but also epitomise its values and cultural attributes. The leader must forge a spirit of co-operation and teamwork, communicating with and defaulting to the leaders of individual entities and encouraging an interest in the success of each member as well as the overall entity.

A Swiss Verein structure demands that its leader exercise a special combination of leadership styles, including authoritative, affiliative, democratic and coaching styles. It is a fine balancing act, providing overall leadership while allowing local leaders to sometimes exercise different approaches as required by their local market conditions and firm environments.

### 3. Brand

There are wonderful opportunities for a group of merged firms to fully realise the value of their common, overarching brand, even where they are not sharing profits. Since they are operating under one brand name, it makes absolute sense to do everything possible to enhance the value of the overall entity's brand.

At a minimum, this requires a clear understanding of brand and a comprehensive brand strategy to be developed and implemented. I recommend that a Swiss Verein or similar entity undertake the following steps at a minimum.

#### THE KEY ELEMENTS OF BRAND

First and foremost, ensure that all staff and partners of entities within the group understand brand. The merged entity's brand is not its name or logo, which are merely symbols. The brand is *what other people think*. It is the aggregate of their gut feelings and perceptions about what the merged firm offers and actually delivers to the market. Hence, it is essential to understand how those feelings and perceptions are formed and influenced.

Brand has a few vital components, each of which must receive careful consideration:

- the merged entity's overall brand;
- how that brand is translated into local jurisdictions;
- the employment brand of both the merged entity and the individual firms within it; and finally,
- the individual brands of all partners in the firm.

Secondly, and just as important, the firm must develop and implement a comprehensive brand strategy for the overall entity. The following features should be considered the minimum content for this strategy:

- a brand vision that focuses on building a charismatic brand, one for which there is deemed to be no substitute;
- clarity around the overall entity's brand offering to market;
- achieving Brand Fusion™ — ensuring that what is offered to the market is actually experienced by others;
- the brand's strategic key objectives;
- brand management and discipline; and
- education and induction of all partners and staff in all offices about the meaning of brand and its value to the organisation, as well as their vital individual roles in supporting and developing the brand.

Finally, pay particular attention to how the brand strategy is captured

within the design and aesthetic elements of the merged entity. This includes the brand name, covers, logos, icons, mantras, tag lines, document design and the like. This is a critical step, because these items will connect emotionally with those who determine the organisation's brand, and so ensure that they align with the brand strategy as well.

## CONCLUSION

If the Swiss Verein or other merged entity takes these steps, it will have gone some way towards establishing the foundational elements of its brand. Provided this is done in a structured fashion and is implemented in a consistent and disciplined way throughout the entity, trust will slowly build both internally and externally among all those individuals who will determine the firm's brand and ultimately, its value. •



## *Strategy never sleeps*

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# Do You Want Swiss With That?

Client perceptions of the trend toward global law firms

The unabated growth, diversification, consolidation and geographical sprawl of law firms has reached the point where they might better be called “legal service delivery engines” — huge machines designed to capitalize on economies of scale, global footprints, cross-border referrals, myriad offices and specialized practice groups and client service teams.

By Pamela H. Woldow  
and Douglas Richardson

**B**ecause this consolidation trend ostensibly inures to clients' advantage, it is certainly appropriate to ask whether the clients are aware of — or even very much care about — the underlying business structure of their outside vendors.

In the U.S. and globally, “merger mania” continues, but now we’re seeing more interesting organizational twists. As our partner Ed Wesemann puts it, “Traditional mergers involved firms of differing sizes where the larger firm effectively acquired the smaller — the assets of the two firms were merged and a single partnership was created.”





But for firms now operating on the ever-expanding global stage, Ed notes, “The intricacies of multinational tax law and international money transfers, currency fluctuations, and unique law society regulations in different countries, makes it hard to operate a consolidated internal firm with a single profit pool.”

In fact, many of the “marriages” of U.S. firms and those in other countries, even if they have created a powerfully consolidated marketing footprint, do not entertain a centralized entity and the pooling of profits. The parties can “live apart,” so to speak, by creating Swiss Vereins, a useful form of multiparty



**Clients today are demanding proof that their outside vendors can manage legal engagements efficiently, predictably and cost-effectively. They also are collaborating more actively in planning and performing service delivery, and playing more active roles in project scoping, budgeting, and monitoring.**

business organization consisting of a number of independent offices, each of which has limited liability vis-à-vis the others, even if they share a branding identity.

#### **WHAT ABOUT THE CLIENT?**

For law firms, Swiss Vereins offer obvious advantages in terms of market share, diversification and specialization of services, and, presumably, profitability — not to mention diminished liability exposure. The \$64,000 question, however, is: What, if anything, do clients get?

Today's chief legal officers have become more sophisticated and more demanding consumers of legal services, taking a far more active role in keeping a tight rein on outside legal spend. For engagements large and small, or for portfolios of legal matters, clients are more actively calling the shots, setting pricing standards and limits, and prescribing billing arrangements.

Clients today are demanding proof that their outside vendors can manage legal engagements efficiently, predictably and cost-effectively. They also are collaborating more actively in planning and performing service delivery, and playing more active roles in project scoping, budgeting, and monitoring.

As clients engage global super-entities, particularly in representations that involve large tranches of diverse services in geographically dispersed settings, the question arises whether they are pleased with, alarmed by, or indifferent to the legal structure of their law firm providers.

#### **THE ENVELOPE, PLEASE**

To find out how sophisticated consumers regard the trend toward Swiss Vereins, we took a straw poll of 47 chief legal officers of global companies, those who are known to be creative innovators and active engineers of law's "New Normal." What do you think about law firms becoming Swiss Vereins? we asked.

Put simply and bluntly, clients are largely indifferent. Of the 47 CLOs we

polled, only five said that they take an interest in and ask about how their law firms are structured. “We buy service, not structure,” said one. “So far, we’ve seen little evidence that service quality is affected one way or the other by a firm’s legal form, other than the fact that Swiss Vereins are more common in larger firms.

“We probably get some benefit from bigger footprints and perhaps better internal communication,” the client added. “For us, the real issue is operational efficiency and stability, overall service quality of service, and our judgment about whether they are delivering the value we need.” (See the accompanying article by our colleague Ahna Severts for more from our Edge survey.)

### **BUT WAIT, THERE'S MORE**

Although most of our respondents said that a firm’s business form is not itself a factor in selection, several noted their strong interest in both the positive and negative implications of any law firm business structure in which the big get bigger.

**Although most of our respondents said that a firm's business form is not itself a factor in selection, several noted their strong interest in both the positive and negative implications of any law firm business structure in which the big get bigger.**

“We probably have little chance of influencing such growth-related operational factors as compensation systems, firm culture, or firm-wide training and technology,” said one GC, “so we keep our hands off everything except the deliverables.” But, he continued, he is interested in the impact of certain factors, including:

- The global span of a firm and its ability to rapidly marshal diverse subject matter expertise in far-flung jurisdictions.
- The convenience of one-stop shopping and a single client relationship portal.
- A more robust presence and staffing capability than can be offered by firms with just a few lawyers in remote locations. Consolidated firms can offer both a greater breadth of services and greater bench

strength — and, hopefully, more streamlined communication and better collaboration, both internally and with the client.

- Economies of scale that can be passed on to the client.
- Powerful internal referral networks and the availability of lawyers familiar with international business expansion.
- Greater responsiveness and flexibility when dealing with cross-border matters.

### RECOGNIZING THE UPSIDE

Several survey respondents suggested that Swiss Vereins can offer real advantages to clients. Alex Cestero, General Counsel of Lufkin Industries, pointed out that having independent revenue centers can allow for greater rate flexibility and attendant cost-control benefits.

“Partners in verein firms can tailor their rates more closely to the local legal market, so we are not automatically paying inflated ‘global rates,’” he said. “For example, I do not have to pay a London partner rate when using a partner in a less developed area, such as Eastern Europe.”

Another respondent made a related point: “Non-verrein global firms often have a global strategic plan that prescribes sky-high rates that may price highly skilled lawyers out of their own markets. When this happens, we lose on both rate and service quality. In Swiss Vereins, compensation — and therefore our costs — are not inflated just to hit a global target.”

**Several survey respondents suggested that Swiss Vereins can offer real advantages to clients. Alex Cestero, General Counsel of Lufkin Industries, pointed out that having independent revenue centers can allow for greater rate flexibility and attendant cost-control benefits.**

### VOTING “NO”

Several GCs, however, said they tend to shy away from firms where the member firms have only a loose association and are not centrally managed as in a traditional legal partnership. Some stated that Swiss Vereins were not the “preferred structure” they sought. Where there is strong centralized

management, they noted, there tends to be better accountability for overall quality of services.

Firms with more centralized management can push down standardized operating practices and set uniform standards for levels of competency. However, one GC emphasized that centralization is no guarantee of quality: “You can get subpar quality even in tightly managed firms.”



**Inasmuch as the member firms of a Swiss Verein operate as independent legal entities, careful**

**vetting requires inquiring into the adequacy of each member's coverage, and the scope of protection potentially varies widely.**

## **THE LIABILITY ISSUE**

For some GCs, Swiss Vereins might also create concerns about liability problems or exposure to malpractice claims. From a law firm perspective, one of the supposed advantages of the Swiss Verein is that each member firm is immune from the liability of other members. So if partners in, say, Bolivia make a mistake, the partners in Australia aren't on the hook.

From the client perspective, however, this means that each member firm needs to be vetted for financial soundness, thus mitigating some of the economies-of-scale benefits. Many corporate legal departments routinely inquire into a firm's professional liability coverage before engaging it for significant matters, because their companies need the assurance that the firm can bear the financial risk of mistakes.

Inasmuch as the member firms of a Swiss Verein operate as independent legal entities, careful vetting requires inquiring into the adequacy of each member's coverage, and the scope of protection potentially varies widely.

### THE COURTS WEIGH IN

Interestingly, the liability issue may be changing, at least in the U.S. In 2009, a federal district court ruled that a member company of a Swiss Verein may be liable for the acts of an affiliated company in a different country. The plaintiffs had sought to hold accounting giant Deloitte Touche & Tohmatsu (DTT), a Swiss Verein, liable for the alleged misconduct of a DTT member firm in connection with Parmalat's downfall. The case was settled before trial, so the ultimate legal issue has not been clarified, but a door has been opened. (*In re Parmalat Securities Litigation*, 594 F. Supp. 2d 444 (S.D.N.Y. 2009))

Similarly, several cases against other professional Swiss Vereins have attempted to use vicarious liability and veil-piercing arguments to find the



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overall verein liable based on a single member's activities. So far, only one such argument has been successful in American courts, where the parent verein was found liable for securities fraud based on agency doctrine. (*Cromer Fin., Ltd. v. Berger*, 2002 U.S. Dist. LEXIS 7782 (S.D.N.Y.))

Whether or not these cases represent the start of a trend that reduces the desirability of Swiss Vereins, most vereins now expressly note their status on websites, emails and letterheads, in order to prevent future arguments based on agency.

## CONCLUSION

Overall, our informal survey supports the conclusion that clients place a higher premium on substance than on form, a conclusion consistent with a trend paralleling the growth of Swiss Vereins: the increase in legal project management and legal process improvement in many firms. Law firms should feel free to adopt a Swiss Verein if it suits them; they just shouldn't expect their clients to be impressed. •



## Legal leadership and communications

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# Clients and the Global Law Firm

By Ahna M. Thoresen Severts

**L**aw firms have grown larger and more global in recent years; but what do their corporate clients think of this trend? In an informal survey of law department management, in-house counsel agreed that in some situations, global reach was an advantage bordering on a necessity. But they also made clear that the benefits of size and scope can be easily eclipsed by inattention to old-fashioned concepts of client service, efficiency and value.

## The pros

Not surprisingly, surveyed counsel valued the convenience of a global network of law offices that offers integrated cross-jurisdictional services. A global law firm reduces the information costs of selecting law firms and finding legal specialists across jurisdictions. As one in-house banking lawyer explained, "I handle transactions that sometimes involve a corporate parent in the U.S. and subsidiaries in 15 countries. If I have to deal with 15 different law firms to nail down the regulatory issues, that's just not going to work."

Working with a multi-jurisdictional law firm can also streamline the billing process. Busy in-house lawyers appreciate having a single relationship partner who can provide a firm-wide bill and a single point of contact for billing inquiries. Consolidating global legal spend may also reduce overall spend, due to volume discounts or fee reductions available to large clients.

Language and cultural barriers are another reason that corporate counsel turn to multi-jurisdictional firms. Several counsel pointed out that global firms understand the needs and expectations of U.S. corporations, simplifying the relationship and reducing the risk of misunderstandings about project scope and objectives. In addition, English-language skills can be assumed in a multi-jurisdictional firm but cannot be taken for granted with a local service provider. Finally, although few corporate counsel admit to being

swayed by considerations of status, most conceded that size and global reach are linked to firm prestige. Prominent firms can offer a type of informal insurance to the client, captured in the adage, "You don't get fired for hiring IBM." If an important and complex transaction or litigation does not go well, the CEO and others in a corporation will be less likely to second-guess the decision of the general counsel to retain a large global firm.

## The cons

Corporate counsel clearly value large multi-jurisdictional firms for their promise of seamless international service. But in our survey, they also made clear that the reality did not always live up to the marketing hype.

A multiplicity of offices also increases the opportunities for inefficiency. Some counsel complained of being handed off to a lawyer in another country with little or no background about the client's business or the subject matter of the consultation, requiring in-house counsel to repeat the explanation previously given to a domestic lawyer.

Other clients complained of duplication of effort, with particular frustration about telephone calls with a profusion of lawyers from different jurisdictions. As the deputy GC of an international retailer explained, "I can't tell you how many times I've been on a call with a partner in China while our billing partner listens in from Chicago. I don't need him."

Some surveyed counsel also expressed dissatisfaction with uneven standards of client service across jurisdictions, in one case describing it as "hit or miss." Having worked hard to find a domestic attorney who understands their business and is responsive to their needs, counsel find it frustrating when foreign partners do not measure up. Corporate counsel cited classic examples of poor communication: failure to provide regular status updates, non-responsiveness to phone calls and emails, and failure to provide clear, direct advice.

One in-house lawyer recalled a transaction where she asked a multi-jurisdictional firm to provide



guidance on a discrete U.K. regulatory issue, only to have the U.K. lawyer mark up the entire 50-page document that had already been agreed upon by the parties. Although only a minority of in-house counsel mentioned such problems, they were probably the most indignant. Having paid premium rates to hire the perceived "best and brightest," corporate lawyers feel strongly that their lawyers should understand basic principles of client service.

Finally, many corporate counsel identified the high cost and unpredictability of fees as a significant downside of large multi-jurisdictional firms. The global law giants are generally perceived to be more expensive than their smaller counterparts, and they usually charge for time spent rather than value conferred.

Clients also dislike the billable hour system, believing it discourages efficiency, predictability of costs and consistency of service. Corporate

lawyers do business in a world of set budgets and increasing emphasis on cost containment where predictability is paramount. Yet their law firms are frequently oblivious to these pressures.

One in-house M&A specialist put it this way: "When we are doing a deal, the business needs an accurate estimate of the transaction costs up front. I have to work hard to hold our outside counsel to an agreed-upon budget. If there is no spending cap in place, they go AWOL. I start seeing charges for special regulatory experts that I did not ask for and did not approve."

In summary, the message for law firms from our survey is simple: a global strategy offers important opportunities, but can never compensate for poor fundamentals. Multi-jurisdictional law firm structures, whether traditional or innovative, must be designed to motivate and deliver efficient, client-focused services that represent good value. •



## ***Clients: Perspective, process and priority***

**A**hna M. Thoresen Severts' deep experience as a large firm partner and senior in-house counsel for a Fortune 100 multinational company has given her comprehensive knowledge of all aspects of legal department and law firm operations and interactions. Recognized as a process innovator, Ahna has particular expertise in legal department work allocation, knowledge management, legal process improvement (including outsourcing and offshoring) and legal project management.

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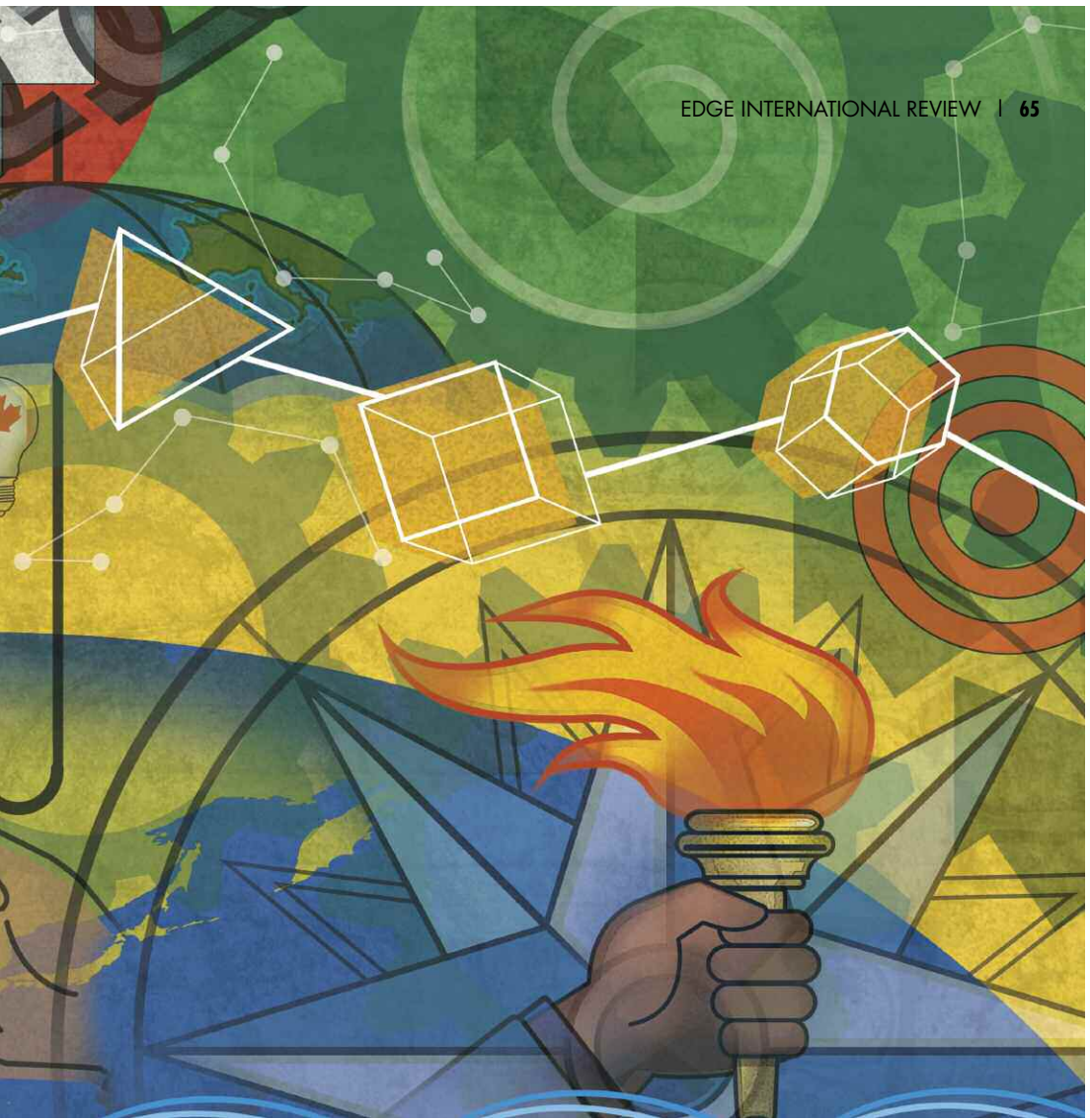
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# Why Are You Growing?

By Jordan Furlong

Mergers are tactics that should support a law firm's strategy. But some firms fall into the trap of using mergers as a substitute for strategy. Before you grow your firm, make sure you know what you hope to achieve.





**W**hat do you think of when you read the phrase “a large law firm”? What type of law firm comes into your mind? How many lawyers does it have? In how many jurisdictions is it located? What is its annual turnover? How you answer these questions will vary according to your own market and how that market has shaped your expectations around size.

If you're in my country of Canada, a large law firm generally means an entity with more than 500 lawyers and a substantial presence in four or more major cities. But “a large law firm” will mean something different in India, Australia, the United Kingdom or the United States — and it will vary again as between Delhi and Jaipur, Sydney and Perth, London and Glasgow, New

York and Denver.

No matter how you measure size, however, you would probably agree that the world's biggest firms are behemoths. They employ more than 2,000 lawyers (sometimes many more), they maintain more than 25 offices in numerous countries, and they generate in the neighbourhood of \$2 billion in revenue every year. These are our profession's giants, the legal colossi of the globe.

Now, stack the planet's biggest law firms up against the Big 4 accounting firms. George Beaton of Beaton Consulting in Australia did just that in an article published earlier this fall.

Each of these four firms, George pointed out, employs upwards of 100,000 people. The smallest of the four generates \$20 billion annually. Each is larger

When we talk about “large law firms,” we need to remember that size is relative. The 500th company listed in the most recent Fortune 500 reported annual revenue in the \$22 billion range. Our largest law firms are pikers by comparison.

than many of its big clients. If you merged the world's two largest firms and gave the new enterprise 5% annual growth, he noted, it would take the new mega-firm 17 years to reach the \$10 billion mark. It can be done, and it may very well happen. But it won't be overnight.

So when we talk about “large law firms,” we need to remember that size is relative. The 500th company listed in the most recent *Fortune 500* reported annual revenue in the \$22 billion range. Our largest law firms are pikers by comparison.

### THE LAWYER PROBLEM

There are plenty of reasons cited to explain why law firms seem to have a natural size limit, most prominently conflicts of interest rules and other ethical or regulatory constraints. Personally, I think that's an excuse: if we really

wanted 50,000-lawyer law firms spanning the globe, we'd have found a way around our self-imposed regulations before now.

The real explanation, to my mind, is that law firms can only grow so large before they transition from “difficult to manage” to “utterly unmanageable.” Law firms of all sizes are unwieldy collections of ferociously independent and self-interested lawyers famously reluctant to place organizational gain above personal advancement. These are character traits, it should go without saying, deeply inimical to building a world-class enterprise.

I once had lunch with a partner in a Big Four accounting firm, and I noticed that he constantly spoke in “we.” He talked first and foremost about the firm's work and the firm's objectives, the firm's future plans, competitive strengths and long-term strategies. His own expertise was important insofar as it contributed to and reinforced what the firm was doing.

Contrast that with the way many lawyers usually talk: in the first-person singular. They refer to their law firm not as the strategic core of their work, but as a beneficial platform or vehicle for what they do. The firm's attributes are important for how they support the lawyer's personal focus and expertise, rather than the other way around.

That's why, if you're looking to build a really huge law firm — whether you go the full merger route or take the Swiss Verein path or choose some other way there — you're probably going to want to find a way to reduce the importance of lawyers in revenue generation.

That's why, if you're looking to build a really huge law firm — whether you go the full merger route or take the Swiss Verein path or choose some other way there — you're probably going to want to find a way to reduce the importance of lawyers in revenue generation.

## THE WHY OF SIZE

Ask yourself: *why* do we want our firm to be bigger? Why do we want to expand? There are plenty of good answers to that question, most of them to do with serving multinational clients, following them around the globe,



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# Innovation and The Future

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**T**he last decade has been one of the most tumultuous and unpredictable the worldwide legal market has ever seen. For better or for worse, however, there's far more upheaval on tap in the years to come.

Many law firms and legal departments are looking for guidance with regard to the years ahead and what they might bring. This is especially the case with the emergence of Alternative Business Structures and other innovations in the UK as well as disruptive technology, legal process innovation, and competitors worldwide.

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picking up new business in emerging economies, and so forth. There are also bad answers, including hubris, management ego, and expansion as a substitute for a growth strategy.

But if you're looking to get bigger so that you can better serve your clients, then maybe, as Pam Woldow and Doug Richardson suggest in the article previous to this one, you should ask your clients what they think about that. Chances are they'll tell you that they're not terribly excited by the prospect of their firm getting bigger. Very few people have ever found themselves saying, "Why yes, I'd love to have more lawyers."

And as Gerry Riskin and Mike White explained earlier, simply adding lawyers in another city or state or country is no guarantee that a client with

Think about it: if a competitor opened up an office in one of your current locations, would you expect your own clients to instantly decamp to the competition's new office? Wouldn't you be shocked and outraged if they did?

business in that jurisdiction will automatically give that business to you. Think about it: if a competitor opened up an office in one of your current locations, would you expect your own clients to instantly decamp to the competition's new office? Wouldn't you be shocked and outraged if they did?

## NEW ROUTES TO GROWTH

Growth in a law business is not the same thing as adding more lawyers. Law firms do not exist in order to provide steady employment to the maximum number of lawyers; or, if they once did, they don't any longer. Law firms exist to provide legal services to the market in a cost-effective and profitable manner. "Adding more lawyers" is no longer the first and only way to make firms bigger and better.

Technological advances are disrupting many traditional ways in which legal work is done. Automated contract creation, e-discovery packages,



data-crunching analysis systems, expert applications that answer regulatory and compliance questions, online dispute systems powered by game theory — these are all programs and functionalities that are available on the

“More lawyers in more offices in more locations” is not an end in itself. More revenue, higher efficiency, and greater profit, all delivered courtesy of satisfied clients — that’s the end you have in mind.

market, right now. They do the work that lawyers used to do. Full stop.

Similarly, disruption has come to the legal talent model. If you can get good, solid work from a contract lawyer, or a lawyer in Mumbai or Manila or Belfast, or in an innovative firm like Axiom or Keystone, or from the lawyer’s own home — and you can — why would you put that lawyer in your expensive offices, on your full-time payroll, with salary and benefits and overhead? What’s so all-fired great about having tons of lawyers on hand?

The answer to that question used to be self-evident: Leverage. Billable hours. Profit generation by the simple expedient of adding bodies to files. Those days, as I’m sure you’ve noticed, are gone. The business model rationales that promoted “lawyer growth” as a stand-alone and sufficient profitability strategy are gone.

And lawyers, as I noted above, are often stumbling blocks to growth. Lawyers thrive on being big fish, and the bigger the pond, the smaller and less satisfied they’re often going to feel. Lawyers want control over their environments, and as the environment expands, their control lessens. Expansion requires short-term risk for long-term gain, and lawyers tend to dislike both. Lawyers are hard to manage, and thousands of lawyers are thousands of times harder to manage. There’s a pattern emerging here.

“More lawyers in more offices in more locations” is not an end in itself. More revenue, higher efficiency, and greater profit, all delivered courtesy of satisfied clients — that’s the end you have in mind. Mergers and quasi-mergers, as outlined in this issue, may be the perfect vehicle to get you there. But

there are other routes too.

If you want your firm to grow, then you need to understand exactly, precisely, in show-your-work detail, why that is. And you need to remember that lawyers are no longer the only available driver of revenue in law firms. I suggest you take these two thoughts with you, in addition to all the excellent articles in this special issue of the *Edge International Review*, into your next partnership meeting. •



## ***Presenting: the future***

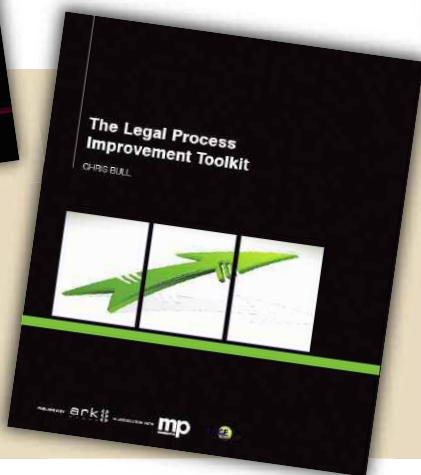
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# Thought Leadership



**T**he partners of *Edge International* are among the most widely respected writers and analysts in the global legal marketplace. In addition to their own blogs and web periodicals, Edge partners are frequently called upon to contribute articles to or be interviewed by major legal publications worldwide.

Here is a sampling of Edge's published thought leadership over the past few months.

## 1. Articles

### Jordan Furlong

- "The Game Is On: LinkedIn vs. Twitter In The Social Media Race," *Stem Legal Law Firm Web Strategy Blog*, Oct. 23, 2012
- "Law Firm Profits in the Process Era," *Law21*, Oct. 3, 2012
- "Time Out: Removing Time From Pricing and Compensation," *Law21*, Sept. 11, 2012

### Nick Jarrett-Kerr

- "Set Baseline Standards For All Partners, Regardless of Performance Levels," *Managing Partner*, October 2012
- "It's Time to Start Planning For When You Will Step Down as Managing Partner," *Managing Partner*, September 2012
- "Using the Right Financial Metrics to Predict Future Cashflow," *Managing Partner*, August 2012



### Sean Larkan

- "Is Ethics Truly Embedded In Your Firm Culture?" *Legal Leaders Blog*, Oct. 11, 2012
- "Your Employees Are Far More Powerful Than You Think," *Legal Leaders Blog*, Aug. 27, 2012
- "How Firms Can Give Their Managing Partners Proper Support, Upfront," *Legal Leaders Blog*, Aug. 12, 2012

### Gerry Riskin

- "Law Practice Lessons Learned On The Stage," *Amazing Firms, Amazing Practices*, Sept. 15, 2012
- "Business Metrics Can Help Individual Lawyers Achieve Results," *Amazing Firms, Amazing Practices*, Aug. 4, 2012
- "How the Digitization of Legal Services Is Affecting Law Firms' Bottom Lines and What You Can Do About It," *Amazing Firms, Amazing Practices*, July 16, 2012

### Ed Wesemann

- "The Five Questions: Creating a Vision for Your Firm," *edwesemann.com*, Sept. 3, 2012
- "Metrics that Matter," *edwesemann.com*, Aug. 27, 2012
- "Fishing Where the Fish Are: The Ten Best Locations in the U.S. for Law Firm Expansion," *edwesemann.com*, Aug. 8, 2012

**Pamela H. Woldow**

- "What Law Firms Can Learn From Hotels: Perspectives on Service," *At The Intersection*, Oct. 5, 2012
- "Legal Project Management 2.0: The Pressure to Perform and the Mandate to Deliver," *At The Intersection*, Sept. 25, 2012
- "GCs: Are You Looking in the Right Direction for an Efficient Legal Department?" *At The Intersection*, July 17, 2012

## 2. Books

Edge International is very pleased to report that no fewer than three of our partners have recently published books concerning law firm management and strategy with the Ark Group:

- *Legal Process Improvement Toolkit*, by Chris Bull, 2012
- *Tackling Partner Underperformance in Law Firms*, by Nick-Jarrett-Kerr, 2012
- *Brand Strategy and Management for Law Firms*, by Sean Larkan, 2012

## 3. Blogs

Edge International partners are online! Find us at our respective blogs:

- "Amazing Firms, Amazing Practices," [gerryriskin.com](http://gerryriskin.com) (Gerry Riskin)
- "At the Intersection," [pamwoldow.com](http://pamwoldow.com) (Pam Woldow)
- "Law21," [law21.ca](http://law21.ca) (Jordan Furlong)
- "Legal Leaders Blog," [legalleadersblog.com](http://legalleadersblog.com) (Sean Larkan)
- "Nick Jarrett-Kerr's Blog," [jarrett-kerr.com](http://jarrett-kerr.com) (Nick Jarrett-Kerr)
- "Ed Wesemann's Blog," [edwesemann.com](http://edwesemann.com) (Ed Wesemann)

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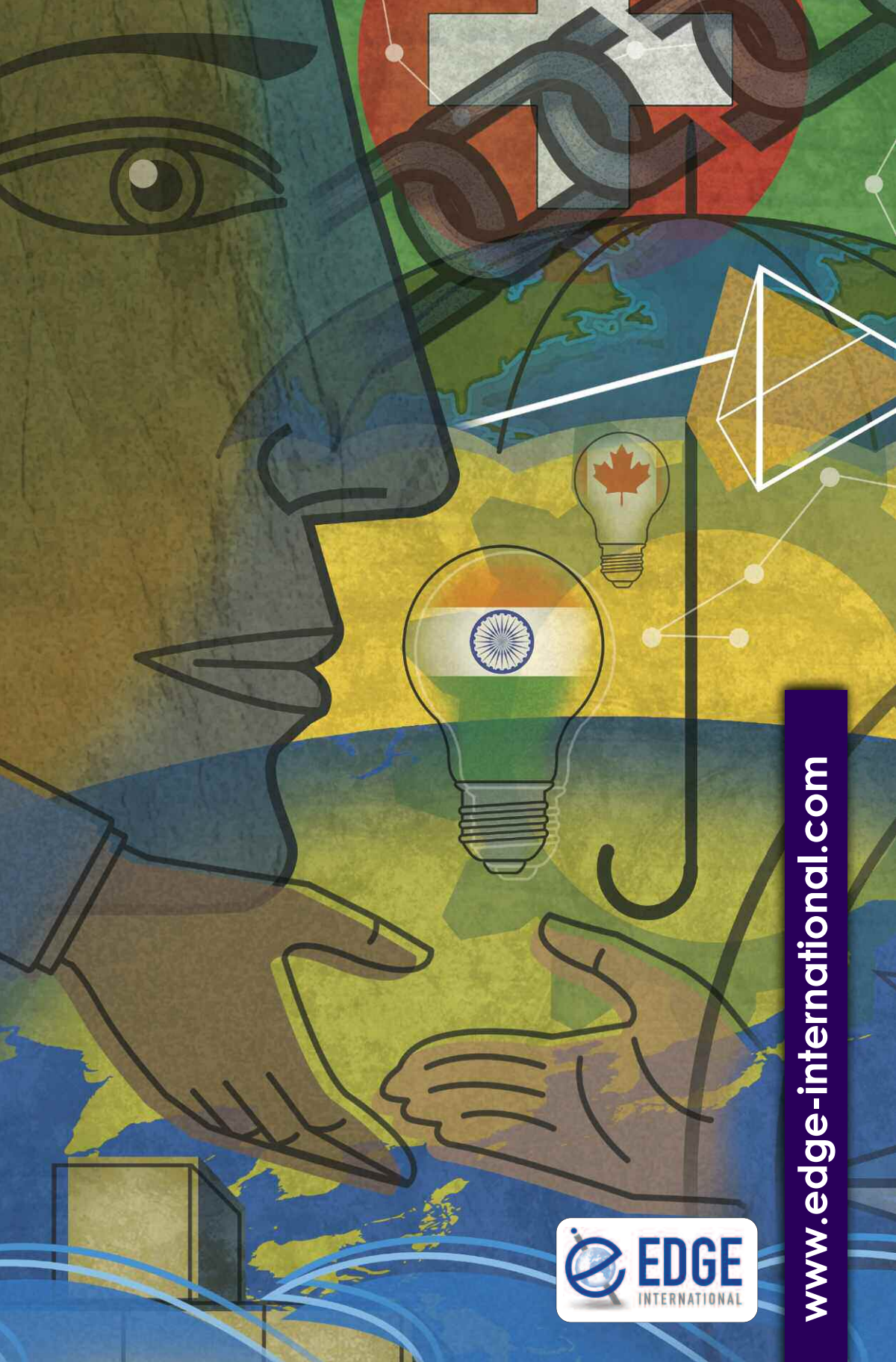


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