

Niche firms make a splash



Heavyweights share limelight with smaller players this year at The Lawyer European Awards. By Joanne Harris

ANALYSIS

THE GROWING need for law firms of all shapes and sizes to focus on client care and the training of their staff was recognised at the end of September as the winners of this year's The Lawyer European Awards were named.

The winning firms, selected after a detailed and independent judging process, represented not just the biggest firms in Continental Europe but also some of the more innovative, growing practices.

Small firms such as Bulgaria's **Borislav Boyanov & Co**, Sweden's **Magnusson** and Turkey's **Bezen & Partners** were recognised alongside some of Europe's powerhouses, including Iberian firm **Cuatrecasas Gonçalves Pereira**, which picked up the overall title of European Law Firm of the Year.

Technology investment

Cuatrecasas's submission brought together many of the key themes identified across Europe. The firm highlighted its investment in technology during 2010, with the firm giving all its lawyers laptops so they can access the firm's resources from home and increase the focus on social media. This has helped Cuatrecasas to vastly improve its retention of female lawyers and encourage the younger generation to engage with the firm.

Cuatrecasas's focus on technology garnered plaudits from the judges, who thought that the firm's use of IT in a commercial context gave it the edge over its rivals. The combination of focus on client care, staff and mandates on Iberia's biggest deals meant Cuatrecasas was the standout winner of both the regional and Continental awards.

Skills and training

Training was the focus of several other entries too. Swiss winner **Bär & Karrer** was picked out for its innovative scheme partnering with St Gallen University, under which the firm's associates will be able to work towards an MBA.

Meanwhile, Benelux winner **Stibbe** has also put the emphasis on improving the skills of its staff.

Last year the firm introduced a mentoring programme to help senior associates prepare for partnership. Like **Bär & Karrer**, **Stibbe** is also offering associates a chance to work towards an MBA, this time a 'mini' version offered in association with French business school **Insead** and also available to in-house lawyers at some **Stibbe** clients.

Stibbe's efforts in this area, coupled with new initiatives designed to increase its female partnership and retention, prompted the judges to praise the firm's "refreshing" submission and award it top marks in the category.

Breaking new ground

Innovation and doing something different was the key to many of the smaller winners' successes. Niche Firm of the Year **Assistenza Legale**, which was also highly commended in the Italian Firm of the Year category, is a perfect example.

The firm is seeking to take advantage of Italy's **Bersani Decree**, passed in summer 2006 and aimed at taking steps towards the liberalisation of the legal profession. **Assistenza Legale** has had to fight through the courts to work as it wishes, including being able to offer free advice to Italian citizens who need it.

Assistenza Legale, which is seeking to expand across Italy, is targeting a client base drawn from ordinary Italians as well as those running 'micro-businesses', which make up a large proportion of the Italian economy. Its business model is very different from that of the other shortlisted firms in both its categories, but its 30 per cent revenue growth between 2009 and 2010 backs up its story of success.

Rewarding growth

Similar growth helped Bulgarian firm **Borislav Boyanov & Co** to the title of Eastern European Firm of the Year. The 10-partner outfit has grown steadily in headcount terms over the past four years, but revenue is rocketing on the back of big deals for state-owned, publicly listed and private entities in the region. Those achievements helped the firm to beat several other larger outfits to the award.

The David and Goliath story continued with the award for

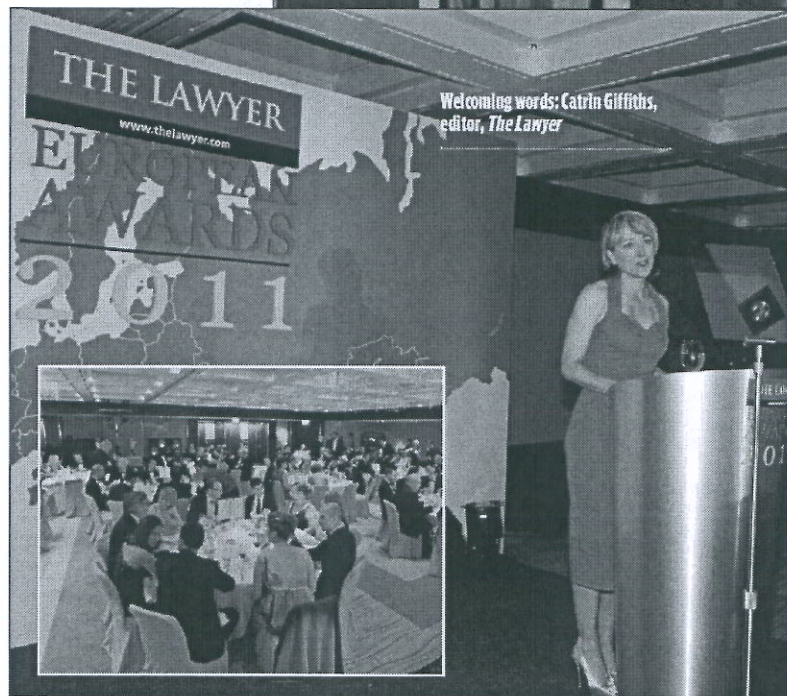
Nordic Law Firm of the Year. Here, Swedish firm **Magnusson** beat several other larger and better-known competitors on the back of an outstanding nomination highlighting its consistent growth and recent expansion into Finland.

Like winners in other categories, **Magnusson** is seeking to promote diversity and skills. It hired three female partners during the past year, bringing the proportion of women at partnership level to 27 per cent, and has run an academy for legal and non-legal staff for the past three years that includes language classes.

That international focus has given **Magnusson** an enviable client list, including large Nordic companies as well as businesses headquartered overseas. Although the firm's turnover is still less than



(l-r) The Lawyer's Joanne Harris with Cuatrecasas partner Sonia Cortes and awards host Mishal Husain



Welcoming words: Catrin Giffiths, editor, *The Lawyer*

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€12m (£10.3m), its aggressive efforts to position itself for the future garnered high marks from the judges.

Another firm on the other side of Europe that is also growing swiftly is Turkish Firm of the Year **Bezen & Partners**. The four-year-old firm has doubled its turnover every year of its existence so far and last year grew headcount by 50 per cent, with lateral hires including the former head of legal

for the Turkish Privatisation Administration, **Aykut Bakirci**.

As well as picking up mandates on deals emanating from across Europe and beyond, **Bezen** has also introduced a 'boot camp' for its associates designed to increase their knowledge of cross-border transactions.

Outside chances

Cross-border work is crucial for all European firms, with the vast

majority of entrants to the awards citing deals involving businesses from several countries, not just the home jurisdiction. Firms are also intent on building relationships with referral partners across the world.

This expansive approach has been particularly embraced by this year's European Managing Partner of the Year, **Luis Sáragga Leal** of Portugal's **PLMI**, who has spearheaded the firm's entry into China through an alliance with **Dacheng Law Offices**.

The judges thought **Sáragga Leal** was an "impressive candidate" for the title, having led his firm

at 2011 European Awards



(l-r) CMS von Erlach Henrich's Benno Engelmann congratulates fellow finalist Christian Pothe of Buse Heberer Fromm



Magnusson senior partner Charlotte Bus raises a glass with managing partner Per Magnusson

through the turmoil of Portugal's economic crisis and secured continued growth.

Regional success

Indeed, the crisis in the Iberian peninsula has provided plentiful opportunity for lawyers. The region was represented again in the award for the Best Overseas Office of an International Firm, won this year by **Herbert Smith's** Madrid office. In less than two years the office has quadrupled in

size and revenue grew by 65 per cent in the last financial year. A clear strategy for growth impressed the judges.

Other regional successes this year included awards for niche firms **Lablaw** and **Schultze & Braun**, picking up the Italian and German Firm of the Year awards respectively. Meanwhile, established European powerhouses **Bredin Prat**, **Matheson Ormsby Prentice** and **Egorov Puginsky Afanasiev & Partners** were named the top firms in France, Ireland and Russia and the CIS respectively.

Serving clients

Employment law network **Ius Laboris** triumphed over two-time winner **Lex Mundi** in the Network of the Year category, in recognition of its efforts to more closely align members and focus on quality last year.

As in the individual law firm categories, **Ius Laboris** has really honed in on the need to serve clients more efficiently and demonstrate that it offers true value for money.

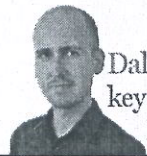
► THE LAWYER EUROPEAN AWARDS 2011: THE JUDGES

- Dominic Bacon**, general counsel, WorldSpreads
- Grainne Brankin**, general counsel, CBS Outdoor
- Chris Carroll**, senior partner, Travers Smith
- James Furber**, senior partner, Farrer & Co
- Simon Johnston**, senior partner, Nabarro
- Charles Martin**, senior partner, Macfarlanes
- Robin Saphra**, general counsel, Colt Group

Across the board, the competition in this year's awards was intense and in many categories extremely close. Law firms are keener than ever to show they are more than merely deal machines, and innovation looks set to be a growing feature of the awards in years to come.

A full list of winners and shortlisted entrants is online at www.thelawyer.com

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Dale McEwan looks at the key issues raised at the European Conference

The Lawyer's second annual European Conference saw lawyers come together in Geneva to discuss the most notable developments and trends in the various legal markets across the Continent.

Four in-house counsel from organisations across Europe, including the United Nations, shared their views on selecting, monitoring and partnering with outside counsel.

"What we expect from a law firm is that it adds value," said Yves De Bruyne, manager and general counsel legal of **Procter & Gamble's** operations in Europe, the Middle East and Africa. "Value will depend on a case-by-case basis. The question of [partnering with] a global, regional or local firm disappears because it's not about being big or not being big; it's about adding value."

De Bruyne added that firms need to have a genuine interest in the business they plan to partner with. "It's really important because that helps to shape the solutions we have."

"I was recently involved in M&A in the UK and I said, 'I want a day with you in the facility so I can learn about how it works,'" recalled **Torsten Bartsch**, head of Europe, the Middle East and Africa commercial legal services at **Caterpillar**. "That's where the real value is."

"I'm always asking the same question," agreed international legal director for **CBS Outdoor's** **Grainne Brankin**. "How can we do what we want to do? It's the job of the in-house counsel to explain that objective. We're never usually interested in the law – don't just recite the law. The advice you receive should always go as broad as you need to meet the objective. Thinking around the question is very interesting and it's very helpful to understand the business context."

One of the most significant themes observed during the conference concerned the introduction of, and revisions to, legislation across Europe. **Halide Çetinkaya Yilmaz**, partner at

Ministellar's Turkey arm, discussed the ongoing legal reform in her country. Both a new commercial code and a code of obligations will become effective from July 2012. The former will provide for greater transparency for companies, the ability to establish a one-man company and new auditing standards. The code of obligations will govern the transfer of a contract and the process of joining a contract as a partner.

"There's much more of a European focus in our law now," said **Yilmaz**. She added that competition law in Turkey is now catching up with EU regulations, while procedure law changes introduced at the start of October are reflective of an effort to step up to international arbitration standards. Changes to Turkey's capital markets law are also expected to be passed by March 2012.

In the same vein, managing partner of **Arzinger** in Ukraine **Timur Bondaryev** spoke of his country's new anti-corruption and personal data protection legislation, both of which were introduced this year.

"The [anti-corruption legislation] is much more professional and closer to the standards of the rest of Europe," said **Bondaryev**. "The issue is how it'll be implemented."

He added that a new construction act has now been introduced in Ukraine and this has liberalised the climate for potential investors.

While these new laws have been designed to open up particular



The inside track: (l-r) Grainne Brankin, CBS Outdoor; Dr Markus Schmidt, United Nations; Dr Torsten Bartsch, Caterpillar; Yves De Bruyne, Procter & Gamble

areas of Europe, the Continent is still not without its challenges, as touched on by **Salans' global managing partner Dariusz Oleszczuk**.

One of the most notable hurdles concerns the intense pressure on legal fees witnessed across Europe. **Oleszczuk** said that firms across Europe are taking business at a loss just to keep lawyers busy and snatch market share.

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Dariusz Oleszczuk, Salans

"There's very strong competition. Magic circle firms are now pitching for small and mid-sized deals. This is squeezing the share for smaller firms, especially medium-sized firms," he added.

Oleszczuk also noted the increasingly "aggressive" competition for work from accountancy firms.

"The pace of change is so dramatic," he said. "Some firms are diversifying their practice areas to win work from a range of businesses. Many law firms are so over-stretched they're now forced to make decisions that aren't profitable or sustainable during a prolonged global recession. Success in the current economic climate equals diversification to exploit the significant potential in the growing economies and emerging markets."

Co-managing partner for **PLMJ** in Portugal **Manuel Santos Vitor** said that is exactly why the firm branched out to Africa and formed **Gabinete Legal Moçambique** earlier this year.

"One of the ways to overcome these difficulties is to go international and set up in these emerging jurisdictions," he said.

Oleszczuk's key message for the audience was that firms across Europe need to be flexible and prepared to adapt.

"As long as you're small, it's easy to adapt and the cost of adapting is smaller. With bigger firms, it takes longer to adapt and the cost is greater. For those who are over-focused on a particular sector, it's very difficult. Unless you're able to change your specialism it'll be very difficult. Over-sized firms will be the most exposed," he concluded.