

Briefing

ASIA-PACIFIC SPECIAL

APRIL 2015

Feature

Emerging futures

How law firms are creating opportunities out of a new wave of investment in the East

Industry views

Going for growth

Insight from industry on investing in the infrastructure of expansion

New horizons

Cath Evans, Slater and Gordon UK's CEO, on what a listing in Australia means to the UK market





Aderant Business Intelligence + MatterWorks™ = Better Together

Improve Cost Visibility and Boost Firm Profitability

Aderant Expert provides industry leading technology for Matter Management and Business Intelligence (BI). Combine your strategy with Aderant technology to produce powerful and actionable real-time data that allows your firm to make rapid and better informed strategic decisions to mitigate risk, enhance performance, and increase your competitive advantage.

Aderant MatterWorks™ enables firms to quickly and confidently respond to requests for standard and alternative fee arrangements:

- Search and collate prior or existing matters and design preconfigured templates to build matter profiles to offer accurate and competitive rates to your clients
- Track matter life cycle to report actual revenues and costs vs. budget and ensure profitability targets are met
- Quickly identify when fees and/or disbursements exceed the acceptable variance percentage at any given milestone position and generate updates and notifications when certain thresholds have been met/exceeded

Enhance overall firm performance with comprehensive business intelligence software:

- Operate in a single location to rapidly view performance measures and client and matter data, increasing efficiency and reducing the cost of data analysis
- Access real-time firm data allowing the timely identification and resolution of business critical risks, increasing your understanding of key business drivers and responsiveness to changing market conditions
- Compare the effectiveness of your fee earners and review your business development strategies, improving visibility into operating costs and other factors affecting profitability

Aderant MatterWorks™ “helps partners understand, with visual evidence, that fixed fee doesn’t mean losing profit if you plan properly”

-Paul Colvin, CFO, Bird & Bird

+44 (0)20 7038 9600 | info.uk@aderant.com



Economies of scale



Letter from the editor

China tells the world it will soon be a net supplier of capital – outbound investment is set to overtake foreign direct investment. And it's only the very latest sign the country leads a historic trading shift.

'Western' law firms hear this news with hunger. China is arguably the lynchpin in a region gradually opening itself more and more to foreign involvement in local high-growth economies. A few are even tying up with expansion-minded counterparts there. And meanwhile Australia is also being used as a launchpad by many. Major mergers into the nation that pipped the UK at liberalising legal were all the rage a few years back – and we seem to be seeing another sudden spurt.

Our main interview this issue is with **Cath Evans**, UK CEO at the first law firm to float - **Slater and Gordon**. Dramatically entering the UK in 2012, as this issue went to press the firm announced it was raising equity for yet another market-transforming purchase – the professional services division of Quindell. The deal will double its share of our personal injury market.

Plus, we ask leaders at international firms **King & Wood Mallesons**, **Bird & Bird**, **Berwin Leighton Paisner**, **Withers** and **Trowers & Hamlins** about just what's hot (or perhaps not) right across Asia Pacific.

And finally, in our analysis section we talk to **RPC** about the practicalities of eastward expansion, including help from issue sponsor **Aderant**.

Richard Brent, editor, Briefing
richardb@lsn.co.uk

Interview:

Cath Evans, Slater and Gordon



The UK CEO of Slater and Gordon outlines what she's importing over to UK law from Australia – and just how the UK is adjusting to the influence of a different time zone.

page 06

Feature:

Asia-Pacific – Emerging futures



The stage is set for an EU-style south-east Asian union at the end of 2015. The region is already setting the pace for post-crisis global growth – and law firms are keen to get connected.

page 14

We're proud to have this issue of Briefing sponsored by:



All interview photography this issue: Jonathan Goldberg
www.jongoldberg.co.uk

Briefing

5P

**PRICING
PEOPLE
PROJECTS
PROCESS
PIPELINE**

ONE-DAY CONFERENCE, LONDON

SAVE THE DATE
15 SEPTEMBER 2015

**JOINING
THE
DOTS**

5P is joining the dots for legal business around pipeline and delivery of legal services. Exploring the sales and delivery process, and how the whole business needs to work in a more joined up way to deliver more revenue, better profitability, better client service and more innovative products.

**CALL JOHN-PAUL
FOR MORE INFORMATION
ON 0870 112 5058
EMAIL JOHNPAUL@LSN.CO.UK**

Sponsored by:

THOMSON REUTERS
ELITE™

 LexisNexis®

Industry analysis index

Briefing Issue Sponsor Case Study

Eastward advances



Kate Gregg, Asia practice manager at **RPC**, gives us her tips for firms moving into Asia, and how **Aderant** technology is helping **RPC** win there **page 23**

Interview: **Currency affairs**
Nathan Best at **Western Union Business Solutions** on getting competitive with currency **page 26**

Industry analysis: **Consistency matters**
Julian Morgan at **LexisNexis** on how proofreading technologies create consistency and quality **page 28**

The Briefing Interview

Aussie rules?

*Slater and Gordon was the first law firm in the world to go public. UK CEO Cath Evans tells **Briefing** what's in store now the Australian giant has seized on the similar opportunities available in the other hemisphere*

*Words: Richard Brent
Photography: Jonathan Goldberg*

Australian Slater and Gordon made by far the biggest splash into the UK's post-Legal Services Act rather dark deep end when it acquired Russell Jones & Walker (RJW) three years ago. With an acknowledged five-year head start on any UK partnerships that may have appetite for external investment and aspirations to plc status, the firm says it spent some three years reviewing over 50 potential partners before finally making its move.

It'd be difficult to argue that it wasn't well timed, and hasn't worked really rather well. With the Claims Direct brand safely in its clutches, since then the consumer law giant increasingly cornering the market down under has barely been out of the legal headlines – picking up the likes of John Pickering & Partners, Fentons, the personal injury practice of Taylor Vinters and the consumer division of Pannone in little more than a year.

Just months ago it told the Australian Stock Exchange it was acquiring Welsh firms Walker Smith Way and Leo Abse & Cohen to make it the largest consumer firm in Wales. Meanwhile, shares in Quindell were boosted by confirmation of due diligence discussions with S+G concerning a legal portfolio. The S+G group's net profit for the first half of the year (to December 2014) is up almost 50% to £18.4m, while UK revenue is up 90% – which means the UK business is very close to contributing more to the whole than do operations in Australia.

The crux of all of this, of course, is the opportunities opened up to the likes of Slater and Gordon for being a public company – namely, cash. The firm is entirely open about the fact that making its former partners shareholders has helped it access debt and capital that other firms would find hard – especially a few years ago. The business raised A\$65m (£33.2m) in equity from new institutional investors in May 2013, for example, to finance the above expansion spree. It's also ploughing pots of money into major marketing campaigns, including TV advertising, to build a UK brand à la the once-laughed-off 'Tesco Law'.

Time to change?

But the burning question has to be whether this is all really a one-off – or whether there are other major plays that can come out of the (currently) unique UK-Australia axis of external possibilities. Slater and Gordon's direct aim appears to be to to corner a large chunk of a fragmented market, no less in the smaller Australian one than in the UK – but do the opportunities of corporate structure and finance for game-changing growth extend beyond those limits?

Cath Evans would appear to be the woman you'd ask – the chief operating officer who came over from Australia to oversee the RJW merger, and who's since been promoted to UK CEO for the clearly critical branding integration phase.

"The market is one of consolidation, both in Australia and the UK, but we haven't yet reached a point in their evolution where we can say what the mature environment will truly look like one way or the other," she says – somewhat dampening any hopes of any flaming, fervent revolution. "Further consolidation will occur, but whether a clearer picture will take five or 10 years to emerge can only remain to be seen."

Without a doubt, though, the Australian market has been characterised by investment in some new ways of working for law firms – particularly with regard to process-empowering technology.

"We've seen quite a lot of innovation [around the process of] responding to new business in a much more immediate way than our lawyers in Australia have done historically," she says.

That, it emerges, is what Slater and Gordon is all about: rapid business identification, service and resolution – and of course enhancing that delivery pipeline has been made possible by the investment potential behind going public.

As in the UK – although not necessarily as a result of alternative business structures – Evans also singles out a strong focus on more inventive pricing.

The string of major international mergers into Australia in recent years, and a slightly weakening economy (combined with pressure from clients the world over) has created a highly competitive market, providing inroads for what Australians like to call ‘NewLaw’. Contrasting with BigLaw, these are the alternative legal providers, likewise increasingly influential in the UK, offering both the promise of a more transparent cost structure and, with lower overheads, most likely a lower fee for work in the first place.

“Following some deep research into client perceptions of lawyers and their billing methodologies, we invested heavily in moving to a fixed-price model for all our family law services in Australia,” Evans says. And one of her many live projects at present is now to develop similar opportunities in the UK for “segments of work where commencement and conclusion points can be clearly articulated to clients”.

Shareholder actions

One such overhead that NewLaw businesses dispense with is, of course, the partnership structure itself – as the fully-trained lawyers work for themselves, often on a semi-flexible and project basis. Slater and Gordon’s corporate entity instead switches out partners for shareholders, who (one hopes) have a greater interest in their business’s long-term development and sustainability. When RJW was purchased, its 19 partners received £17.4 million in shares, on the proviso they didn’t sell for at least four years. At the time, the firm acknowledged there were no gold-plated guarantees they would remain on board thereafter (we’ll soon see) – but argued that this was no different to the traditional partnership model, notorious for poaching profitable practices from one another. Similarly, the former partners at Pannone Corporate were issued shares worth £3.5m, subject to restraints on sale for up to three years, and a further £4m deferred and subject to performance.

It isn’t just (ex-)partners who might be incentivised and performance-managed through new arrangements. Around a third of equity in the company is in the hands of employees – and in the firm’s 2014 annual report it proposed a new equity incentive scheme to “further align employee and shareholder interests” in light of a much larger, international business.

Removing partnership also potentially opens up

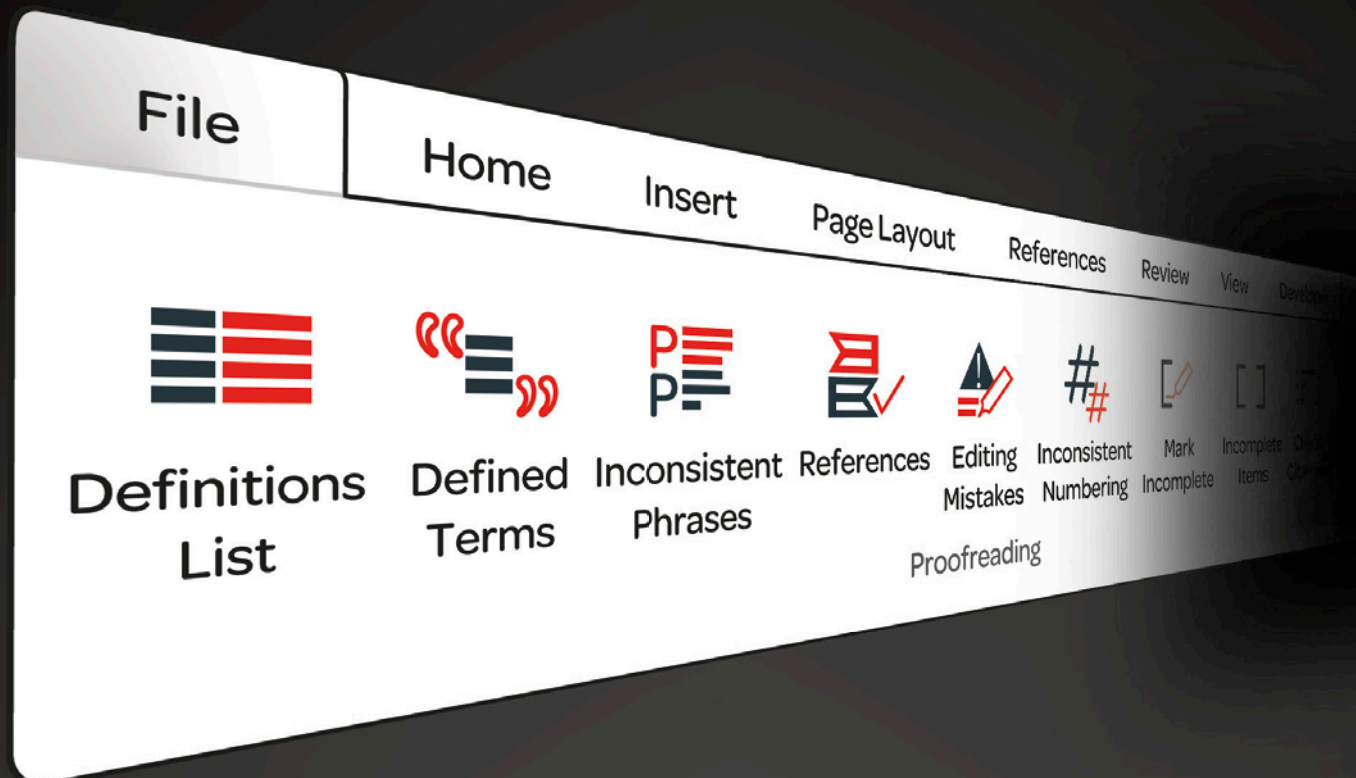


“Businesses need to be clear with shareholders about what they want to achieve against a three, five and even 10-year horizon. That’s something it can be hard for partnerships to articulate.”

additional career possibilities for lawyers and non-lawyers alike. Indeed, while the carrot pinnacle of equity partnership can be forever dangled in front of hungry associates (although it’s a vegetable losing appeal for some), legal corporates may well feel more pressure to design new career paths that will retain the talent they need to take them forward.

A key current project for Evans is therefore mapping new talent-management processes to such principles for the UK operations, bespoke for the nuances of the UK market.

Better Faster Drafting



LexisDraft.

www.lexisnexis.co.uk/briefing

“We’re mapping transparent career paths for all staff in the organisation, and working toward a competitive but consistent remuneration structure that can be easily understood,” she says.

“Countries will each have their own unique environments in terms of balancing short- and longer-term performance incentives, and we’re customising a model that suits the UK market at the moment.”

Also being mapped across from Australia is a detailed “management matrix” and process for appointing senior leadership positions from within.

“Opportunities regularly emerge for employees to fulfil a wide range of management and leadership roles – lawyers and other key talent in business services,” says Evans. But at the same time, even though the partner label has been lost, she says there are still opportunities for the legally trained to formally distinguish themselves as technically-skilled experts and leaders in a particular field. Whether it’s for lawyers or non-lawyers, providing appropriate recognition and development is something partnerships know they have struggled to fit into their pyramids – and often instead experiencing attrition or a two-tier culture as vital engagement with job role stagnates.

Profitable process

Going public isn’t all about loads more cash to splash. With that spending power comes significant responsibility – to provide the all-important return. This has been a key sticking point for commentators since the Legal Services Act was first conceived of, pointing out that firms first need to engage and recruit the aforementioned management expertise to create an organisation with the rock-solid financial management and wider strategic planning nous needed to convince investors they are indeed onto a good thing.

“Businesses need to be clear with shareholders about what they want to achieve against a three, five and even 10-year horizon. That’s something it can be hard for partnerships to articulate,” says Evans in typical straight-talking style. “In a public company environment such as ours that long-term vision for growth is absolutely critical to survival.”

Also shipped in from Australia, therefore, are a whole set of business-spanning protocols, outlining how

pretty much everything ought to be performed in line with the ultimate goal of providing more efficient client service. Performance management is more effective when expectations are clear – and again, removing multiple ownership irons out inconsistency or personal preference as an impeding factor. In the end, it’s a less personality-driven, more process-driven machine that gets the work done.

“There’s the bare minimum to be regulatory-compliant, but we’ve set out how we believe we deliver the best result for a client,” Evans says of this suite of documented standards. “In many cases that will exceed the minimum expectations – and [as with the talent management processes], I’ve now been overseeing a programme of redesigning those standards for the UK.

“They touch every point of our engagement, from the quality of work and technical legal capabilities to how things are presented and communicated – with an overriding ambition to ensure clients are progressed in the most thoughtful and efficient way. It’s a narrative of success that’s deeply embedded in our culture in Australia.”

But that doesn’t presume longevity. “A client who spends years with Slater and Gordon is, in fact, a bad outcome,” she laughs – perhaps illustrative of how the business model must inevitably differ from those being engineered by many of **Briefing’s** former interviewees. “That’s just not good for that client.”

A training and education programme is already underway to familiarise the relatively new UK workforce with the standards. “Next, coming this year, will involve matching them to our new business processes, developing an audit system to assess compliance and tying it all to performance management,” she says.

Model behaviour

It may sound a little like the UK is being painstakingly reshaped by the new Australian way, with its enviable first-mover insight into what works. But although Slater and Gordon has a long legacy and a honed business model in Australia, Evans says the ability to start with something of a clean (if not wholly blank) slate in the UK market also presented a real opportunity at a time when something new could more easily capture

the public – and market – imagination. The firms it has been busily acquiring are coming together, even collaborating to some extent, to build brand recognition and reputation from scratch.

“Any law firm can buy a new technology solution and plug it in, but it’s the thinking that sits behind that in terms of processes that has been really important over the past 12 months of our integration,” she says.

“We’ve had all our brightest and best – focused work groups drawn from different parts of the business – carefully working through deciding which of all the ways these firms have operated historically are the best way forward for all. Fostering that collaboration and facilitating sharing of learning has been a major step in our integration process.

“We’ve had a unique opportunity to mould best practice. If Slater and Gordon had existed in the UK for several years and then started an acquisition strategy, firms would inevitably have fallen more into an established pre-existing model.”

Those months of meetings have thrown up a mass of opportunities for process improvement, says Evans.

“These issues run pretty deep. It’s difficult to single out ideas, as we’ve captured literally thousands of inputs from people at all levels in the business. But they encompass everything from the style of written communication and frequency of customer contact to tailoring that optimally efficient route to a destination for clients in our different work areas. A multitude of different experience have now been shared and built back into the business clients see today.”

Window shopping

But in at least one respect this really is a tale of the

UK leading Australia. The ground floor of a brand new seven-storey Manchester office will feature a ‘community space’ that invites people off the street to chat to a lawyer informally over a cup of coffee, for example. ‘Shoppers’ will be able to access a range of relevant resources surrounding the available services. It’s like Foxtons, but for legal services.



“We’ve had a unique opportunity to mould best practice. If Slater and Gordon had existed in the UK for several years and then started an acquisition strategy, firms would inevitably have fallen more into an established pre-existing model.”

Law firms have experimented with many configurations of client-facing work spaces, of course – but the key to this project is joining the national advertising campaigns to emphasise an ethos of no-fuss informality and approachability that aims to mop up even more consumer business, from employment, divorce and civil partnership dissolution and wills and

probate to clinical negligence cases.

“The building already had a retail presence, and we saw an opportunity to do something really new,” says Evans. “We haven’t opened it yet – that’s a second phase of our relocation – but it has been fitted out to create an environment where people will feel comfortable enough to come in to talk to our team without any appointment. There will be a mix of opportunities to engage when we do eventually throw the doors open.

“We’ve done some research into how clients feel about engagement with lawyers, and one thing to come back was that lawyers are often very transactional and process-driven. But many of the needs of clients, and especially ours, are inherently highly emotional. That’s whether they’re personal or business in nature, and this seemed like an opportunity to facilitate bridging some of that disconnect.”

Brighter branding

Naturally the firm’s fundamental branding in the UK has followed a template set by Australia, including a recent rebrand consisting of a new logo, colour refresh and a second string of TV advertisements since arriving on UK shores.

“We hope it all reflects our desire to speak directly to clients in a way that’s clear and simple, while navigating them to brighter outcomes,” says Evans. Notably, the branding’s blue is a shade brighter, and the name’s erstwhile ampersand has been replaced by the straightforward ‘plus’ that a child would understand – not to mention being a ‘symbol of positivity’, as the marketers might have it.

As if importing some Australia wasn’t enough, one of Evans’s biggest ongoing projects is the move into Manchester – now new home to some 700, including former Fentons and Pannone people.

“It’s exciting for those employees to begin working directly together for the first time, where they were previously separated around the city,” she says.

It’s the staged programme of activity you’d expect, but the first phase of office move, a new integrated IT platform to assimilate the acquisitions, and the UK brand identity all went live on the 26 January. “It seems we do quite like taking things on at once,” Evans says with some understatement. “We’re pretty ambitious –

and suffice to say that was a big week for management.”

What’s next? Well, let’s not get carried away. Few have come close to attempting anything similar in the UK – and Slater and Gordon could be forgiven for pausing for breath. Meanwhile, the competitive landscape around the business in Australia has not been transformed by non-lawyer ownership. IP firm Spruson & Ferguson, with offices in Sydney, Singapore, Shanghai and Kuala Lumpur, became the first IP services firm to list on the Australian Stock Exchange in November 2014. But otherwise Shine Corporate was only the third law firm to list, as recently as 15 May 2013, reporting a 10% increase in revenues and 27% jump in net profit after tax in its first shareholder report (just over a year and a couple of acquisitions later). The only corporate firm to make the move, ILH Group, went into voluntary administration in December 2014 (although several subsidiaries continue to operate).

Elsewhere, the NewLaw start ups (such as Bespoke Law, with its promised ‘predictable pricing model’) are stimulating competition, but the already highly fragmented market hasn’t significantly shrunk. The Commonwealth Bank legal market pulse report in June 2014 found just over three-quarters of firms expected 25-30% of firms to be competing with such alternative legal business models in the year ahead (and yes, a third in the top tier described them as a threat).

But consider the position: clear service standards and expectations, TV advertising, pricing promises, direct contact, the quickest route home, and new ways to capture passing trade (complete with a complementary coffee).

Doesn’t it sound just a little like the spectre of supermarket law that caused such consternation when the Legal Services Act first started stirring the professional pot? Is Slater and Gordon not the closest thing yet to building such an instantly recognisable brand that might send shudders through the market in more ways than one?

Perhaps it has only just arrived – early days in any new dawn – but those stores are certainly opening. Cath Evans is quiet but, you sense, quietly confident. Perhaps it’s the difference a corporate makes. ‘Brighter outcomes’ is Slater and Gordon’s appropriately antipodean motto, but it remains to be seen whether it’s emblematic of a more efficient and optimistic future for the rest of us. ●

GET REAL ABOUT MARKETING PAYBACK.



THOMSON REUTERS
ELITE™

INTRODUCING BUSINESS DEVELOPMENT THAT CHANGES THE GAME.

Today it's about getting results. And proving value. All-new Business Development technology from Thomson Reuters Elite™ helps you achieve both throughout every stage of the marketing life cycle, in ways never before possible. You can plan with competitive intelligence and trend analysis. Engage clients and prospects with email, list, and campaign management. Convert prospects with the right people doing the pitch. And prove ROI with advanced analytics. Game-changing advantages for law firm marketing leaders.

DISCOVER A BETTER WAY AT ELITE.COM/GETREAL



THOMSON REUTERS™



See a mobile interactive preview;
scan code with your smartphone.

© 2013 Thomson Reuters L-385654/7-13
Thomson Reuters and the Kinesis logo are trademarks of Thomson Reuters.

Feature

Emerging futures

Law firm interest in the maturing markets of south-east Asia is intensifying, but as barriers come down there are many ways of making your mark across borders. Richard Brent asks how well the East is fulfilling its growth promise

The stage is set for 2015 to be a significant year in the continuing corrective shift of economic power to the East.

While long at the top of the list of fastest-growing economies, for example, by one measure at least – so-called purchasing power parity – the International Monetary Fund says China's GDP overtook that of the USA for the first time as recently as last October. Chinese wages are lower of course, but so too are their prices – and adjusting for this the Chinese population now has more consumer clout than the inheritors of the great American Dream itself.

A Bloomberg survey of economists in February found Chinese growth was expected to slow from 7.3% to 7% in 2015 – but it's still the leader of a region that's way out in front. The Philippines and Indonesia join India and Kenya to form the quintet of countries forecast to grow by more than 5% in 2015, and they're joined by Malaysia, Thailand, Taiwan, South Korea and Singapore, all up there in the top 20.

Australian opening

International law firms have been plenty busy with moves to tap into that growth – firms such as Bird & Bird, for example, which recently formally opened in Australia (by taking a cooperation agreement with Sydney-based Truman Hoyle through to full merger).

"We see developing economies as one level up from emerging," says head of strategy and corporate development James Philpott. "They are economies that are moving beyond exploiting their natural resources – whether that's climate, coastline, or whatever they may have to dig up – and assuming government is sound, are reinvesting those revenues into improving society.

"You have the development of better healthcare and better education, especially higher education – which drives research, for example, and in time becomes the R&D departments of big companies. That generates intellectual property, which is disseminated through information and communication technology."

The result is a new 'knowledge economy' – Bird & Bird's particular sweet spot, says Philpott. "You can see it in the offing in places like Indonesia and Malaysia, which have universities and, in the case of Malaysia, petrodollars to recycle," he says. "In time, that creates a

new middle class, which becomes a consuming class – and attracts even more businesses to the country."

The upshot is the Australia move is more of an 'Asia-Pacific play' than a determination to dent what is a very "heavily lawyered" domestic market, says Philpott.

"The main attraction is more prominence in the wider region, where an informal Trans-Pacific trading area is becoming increasingly formal," he explains.

A long-negotiated Trans-Pacific Partnership, for example, would finally embrace Australia, Malaysia, New Zealand, Singapore and Vietnam – as well as Japan, Chile, Peru, Mexico, Canada and the USA. "You could end up with a free trade area that spans the Pacific," Philpott says.

China is notably absent from those talks at present, but has plans afoot for its own version. The Regional Comprehensive Economic Partnership would take in Australia, China, Japan, India and South Korea, as well as the Association of Southeast Asian Nations (ASEAN).

And in the meantime, the ASEAN Economic Community – the idea of a single market equivalent to the EU – is set to go live at the end of 2015.

"There will be Australian companies looking to expand their operations and take advantage of a huge new market, which is only just opening," Philpott says.

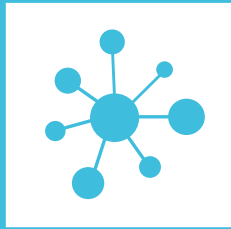
Indeed, Margaret Robertson, managing director of Withers, says Australia could now reasonably be described as "the London or the New York of its region".

"It's an alternative centre for business in those moulds, with the political stability, strong education system, transparency and safety to match. It's also a good recruiting ground for lawyers, some of whom will work in Singapore and elsewhere in south-east Asia.

"And it's a really easy place to get up and running. We had nothing in Australia and were able to complete the regulatory process, from start to finish, in under a month. That's a fraction of the time it can take in other Asian jurisdictions."

Withers entered Australia late last year through a strategic alliance with Sydney tax firm Balazs Lazanas & Welch. A Withers partner is on the ground in Sydney – sharing space with BLW – working closely on business development for common clients through Withers SBL.

Robertson's rationale for the move is connected to Australia's growing status as both springboard and hub to its trade-hungry neighbours – and she envisages the presence will particularly benefit her global immigration practice.



NIKEC
HUB

EXTRANET
COLLABORATION
PLATFORM



7 words
7 colours
to discover
our powerful
extranet



#COLLABORATE



#SHARE



#COMMUNICATE



#SECURITY



#INTEGRATE



#PERSONALISE



#KNOWLEDGE

“We’re seeing increasing connectivity between people in Asia and Australia,” she says. “In the past, wealthy people looking for another base outside Asia would probably have looked to London or New York. But now they’re increasingly choosing Australia.

“It has the advantages of being in the same rough time zone and much closer geographically. People can work in other parts of Asia, but buy homes they could still go to at weekends.

“And as the economy isn’t quite as good as it was, there’s a lot of new private client outbound investment we can capture from Australia – and there will often be corporate work related to that wealth.”

Stars aligning

Hot on the heels of Australia, in February Withers moved to effectively pincer the region via a formal law alliance (FLA) with leading Singapore firm KhattarWong. In March Kennedys unveiled plans to enter Singapore via the alternative available structure of a joint law venture (JLV) with Legal Solutions – and on 1 April Stamford Law Corporation became the city-state’s first ever firm to agree to full internationalisation, combining with one of the USA’s largest law firms, Morgan Lewis & Bockius. Morgan Lewis Stamford (as it’s now known) won’t be subject to the restrictions and renewal requirement of FLAs and JLVs – and it will be able to practice both Singapore and foreign law, including litigation.

These latest moves come as the new Singapore International Commercial Court opened for business (in January), which itself follows the Singapore International Mediation Centre launched in November last year. The court’s cases will be heard by international as well as High Court judges – and foreign lawyers may represent parties in limited circumstances.

“The other side of investment, intellectual property

and Australia exporting to the wider region is there are going to be more commercial and IT-related disputes,” says Bird & Bird’s Philpott. “As Singapore, in particular, wants to establish itself as a key arbitration and dispute resolution centre there are likely to be opportunities for us there too.”

Ash Coleman-Smith, global marketing director at



“We’re seeing increasing connectivity between people in Asia and Australia. In the past, wealthy people looking for another base would probably have looked to London or New York.”

Margaret Robertson, managing director, Withers

Berwin Leighton Paisner, says Singapore is also a vital hub for his firm’s leading real estate practice. “A lot of the capital flows are coming out of Asia,” he says. “Singapore and Hong Kong look like really important places to be building that practice, both linking into local markets and driving outbound opportunities into the wider network.”

And the other side of that coin is construction litigation. BLP acquired its first arbitration capability on

the ground in Hong Kong in March – a nine-lawyer (plus five in business services) lateral hire from local firm Haley & Co. “We have a twin arbitration hub strategy through London and Singapore, and there’s the obvious overlap between litigation and real estate in handling construction disputes,” he says.

These overlaps are critical to BLP’s international expansion strategy. “The opportunity to integrate across different offers needs to be strong,” says Coleman-Smith. “There’s no point in us setting up a standalone practice with nothing to offer other parts of the business. They need to feed off of each other, and start to give key clients a more cohesive, integrated offering.”

In this strategic mindset, even Australia might not be a necessary outpost to join the dots, he says. “Singapore is now playing such a big role that if you’re strong there and in Hong Kong, although Australia might be useful, it’s possibly not the critical gateway.

“It’s important to us not to set out to be full service. With the growth of the large Chinese firms and merger activity, it’s not competitively sensible to be chasing a lot of low-margin opportunities.”

In line with this cautiousness, BLP has recently been gently building on its long-established ‘preferred firm’ network of looser international relationships to form a new ‘Asia network’ of more solid bonds. Thus far this extends to Mataram Partners in Indonesia and Myanmar’s Legal Network Consultants.

“Sometimes markets look for a little more commitment from a firm – to have some physical presence and to be seen to be doing something tangible,” says Coleman-Smith. “But often it’s not about partners providing vast amounts of local law advice to our international clients. We most want them to help us orientate within what are fast-changing political and business landscapes.”

Philpott says that Bird & Bird has a ‘beyond our firm’ strategy for reaching out to any of a number of firms in jurisdictions where clients need coordinated service – but that these solidify into more formal cooperation agreements in the economies where it wants to expand aggressively itself. As well as Australia prior to the merger, it was the first international firm to forge such an agreement with a top 10 law firm in South Korea (Hwang Mok Park) – and last year signed up with two Indonesian firms (K&K Advocates and NSMP).

“We won’t necessarily enter these with the express

objective of ultimately achieving a merger. It may be that it comes to that, but fundamentally it’s because we want to better serve our clients,” he explains. “You don’t know as many firms or work with them as regularly, so the agreements help us to develop more trusting relationships – as beneficial for the local firm as for us.”

There is more specific investment in these relationships too – transfers of secondees, for example.

“We will also be more proactive in marketing events and cooperation. In Malaysia they recently introduced, in effect, an antitrust law for the first time, so our Brussels office, which works on EU competition law, went out and helped deliver client presentations. We will try to put the firm name out there alongside the local firm, with a view to winning work together.”

Chinese currency

One firm that really represents recent Eastern advancement – plus its potential relevance back in the UK – is King & Wood Mallesons, now the largest firm headquartered outside the UK and USA.

“Even before the merger went live we had agreed global practice coordinators to start leveraging off working together and sharing opportunities more effectively immediately,” says KWM European chief operating officer Rachel Reid (who formed part of the team leading the combination with the UK’s SJ Berwin in November 2013). Three of these roles are based in Europe and the Middle East, three in Australia and three in China, fostering a culture of equal influence and input.

What really sets the business (a *verein* structure) apart, she says, is its ability to practice Chinese law directly rather than using local firms, giving greater credibility in the eyes of European clients looking to grow through the developing Chinese market – but also Chinese clients investing outside, perhaps for the first time, and so requiring extra careful navigation and sensitive reassurance.

“In both cases you’re providing access to cultural nuances as much as strong legal advice,” she says. “If you have people on the ground who really understand the practical differences for business that paves the way to a better outcome. We created new extranet systems and a cultural toolkit for all the countries – and all internal

Briefing

Business Transformation

ONE-DAY CONFERENCE

transform your firm



Save the date
24 June 2015

Grange Tower Bridge Hotel, London

Sponsored by:



**CONTACT JOHN-PAUL
FOR MORE INFORMATION
0870 112 5058
JOHNP@LSN.CO.UK**

communication goes out in both English and Mandarin.

“We’ve also just rolled out a system for tracking referrals across the whole network, which helps both for recognition and reward and to monitor investment trends between clients and countries.”

At launch, messaging was deliberately sent out to the market by video. But it soon became clear that this was a technology that would help regular business flows

too – putting friendly faces next to unfamiliar names as avenues, languages and nuances continue to evolve.

“Video helped us explain different aspects to our clients depending on where they were engaged. Understanding the real extent of your global capabilities at each level of the business is so important,” says Reid. “And we wanted to be clear that the new brand aligns us with the way the world will now continue to grow.” ●

Malaysia: Moving day arrives

Malaysia became the latest country to open its legal market up to Qualified Foreign Law Firms (QFLFs) in June 2014 – and Trowers & Hamlin, the first to open a representative office in Kuala Lumpur in 2012, is again first out of the blocks to apply for one of five possible licences.

“Currently all we are allowed to do here is assess the market and engage in business development,” says regional manager Nick White. “What a licence would mean is the ability to deliver formal legal advice within the scope of what is allowed under the regulations, as opposed to for now, for my part, only having informal discussions.”

White’s fellow partner for Malaysian activity, meanwhile, would switch from operating on a compulsory fly-in, fly-out basis to being obliged to be present – and the office would also have to hire at least one Malaysia-trained lawyer (the rules stating that at least 30% of a QFLF legal team needs to be Malaysian nationals).

“The Malaysian lawyer won’t be able to provide Malaysian legal advice, but could, for example, provide background to help us continue seeking international standard, foreign law-governed energy projects in the region,” he continues.

“We also need to hit a benchmark of Islamic finance expertise – and will seek

to help in terms of cross-border Islamic financing in the country.”

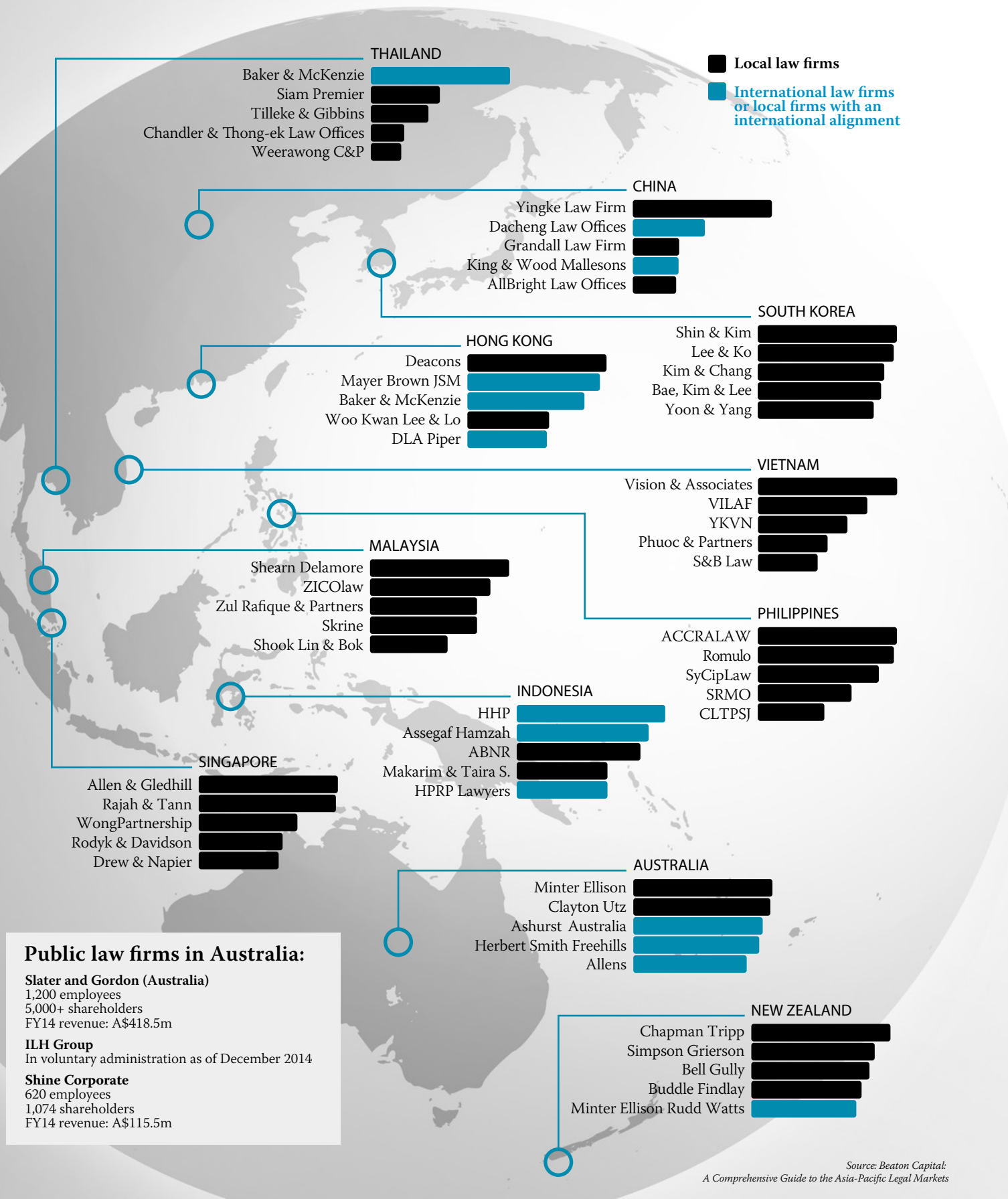
The other option currently open – other than local firms taking on foreign lawyers – is a joint venture known as an international partnership.

“We work alongside a lot of Malaysia law firms already and would prefer not to be tied to one alone – and ultimately we want the ability to be directed anywhere a client chooses,” White says. “The main reason you’d go for a joint venture is if you wanted the connections that the local partner could bring.”

Within Asia Pacific he says, the new ASEAN Economic Community is sure to enhance cross-border work further – with several firms in the region already moving to a pan-ASEAN presence. And for Trowers, as well as international project work, the strategic future includes servicing client investment from Malaysia, Indonesia, Thailand and Vietnam into the UK and Middle East. In-country public-private partnerships and independent power and water projects are also key opportunities, while the Kuala Lumpur Regional Centre for Arbitration has also set itself up as a lower-cost base arbitration centre alternative to Singapore in the growing Asian dispute resolution arena.

Asia Pacific: the main players

Beaton Capital provides data on the largest Asia-Pacific law firms by partnership size



Going for growth

INDUSTRY ANALYSIS INDEX

Briefing Issue Sponsor Case Study

Eastward advances



Kate Gregg, Asia practice manager at RPC, gives us her tips for firms moving into Asia, and how **Aderant** technology is helping RPC win there

page 23

*Interview: **Currency affairs***

Nathan Best at Western Union Business Solutions on getting competitive with currency

page 26

*Industry analysis: **Consistency matters***

Julian Morgan at LexisNexis on how proofreading technologies create consistency and quality

page 28

Briefing Industry Case Study

Eastward advances

Law firms can't just pile into AsiaPac pell-mell. RPC's Kate Gregg says each development must have its own strategic rationale underpinned by the right IT to release the synergies

Law firms with relevant practice experience are looking eastward to capture new revenue from a range of markets that are both maturing as consumer bases and carefully negotiating foreign access to the growing business opportunities within their borders.

At least that much is clear to **Briefing**. But what are the practicalities of moving into a new region such as Asia-Pacific (AsiaPac) for the first time?

“The world is littered with examples of law firms expanding overseas without a clear plan, and struggling as a result,” says Kate Gregg, practice manager for Asia at RPC. “Define a strategy. Identify your firm’s strengths, and where you need to be in Asia to get the work that you want to be known for. Opening should be driven by business needs, based on real client demand, rather than a vague desire to plant flags in the ground.”

“Pushing into AsiaPac, firms often see advantage in being first to the market, yet it can often be better to be second but with a really solid value proposition.”

That, in a nutshell, has been the driver for a shift in Gregg’s role. First arriving at the firm’s Hong Kong office as regional head of HR in 2012, her role has since broadened into one of overseeing day-to-day management of all the firm’s non-legal Asia-based operations.

“I still focus on the people side – on recruitment and ensuring offices are resourced efficiently to operate as they need to – but it’s also much broader, encompassing all the things we might want to do to develop strength in the region. That could be helping to deploy some new technology or helping to grow out the brand.”

“For example, I work very closely with partners to ensure they’re focusing on the right areas for their clients and the business, and not getting too distracted by the other things they could be pursuing in the region. It’s about making sure we’re always playing to what we see as the strengths of our brand, and delivering what we’re known for in terms of client experience.”

But she stresses that this disciplined approach to activity, grounded in strategy, takes investment – in time and money. “Few firms are born global. They acquire global attributes as they develop over time, and that requires a serious commitment of working capital. It’s quite common for people to say it’s obviously the fast water lane in Asia, which in many ways it is, but firms themselves really need to be quite patient and persistent to succeed.”

And although there are a range of cultural differences

at play in such internationalisation, it is important these are seen not so much as potential barriers to productivity (which Gregg says they aren’t), but as opportunities for generating new efficiencies through more sophisticated team resourcing and business planning. That, of course, falls to managers such as herself to facilitate through a combination of policy, communication and information management.

“It’s important for people to take time to understand these differences, and that managers find ways to build trust between people – particularly with partners and senior people who aren’t in the region, nor perhaps have lots of experience working there.”

“People do still underestimate how consequential business differences can be, and it’s important they’re capitalised on to maximise the increased potential of diverse teams.”

Even something as simple as multiple time zones can still be overlooked. “Scheduling a meeting with your colleague for midnight doesn’t look great, nor does assuming there is only one regulator, as there is in the UK,” she explains. “And yes, that does happen.”

An aspect of the challenge may be that some firms tend to undertake international business planning from their UK HQ, says Gregg – inevitably at a distance. But even if the people doing all that planning are based there, communication across borders to gather valuable insight can be prioritised. “No one knows the local market as well as the local people,” Gregg says. “Don’t be afraid to ask them.”

Recruitment strategy could also be adapted to seek out talent with particular global experience or an outlook and interests that suggest suitability for crossing borders.

“More language skills, experience living abroad, or even a seemingly more inclusive and adaptable worldview, can all support future regional growth and create talent pools that are more mobile for the future in general,” Gregg continues. “And global reach should focus on developing local depth. Locally trained and developed lawyers ought to dominate in regional offices, and UK HQ can support this by focusing global learning budgets on developing that talent in areas such as commerciality, client relationships skills and teamwork.”

“The key to any successful global organisation is the optimum mix of employees and culture. Trying to recreate London in an emerging market will mean you are seen as detached.”

But conversely, “not enough London can potentially

dilute your employer brand”, she concedes. “It’s a fine balance to strike.”

Taking time with technology

“In management a lot can be lost in translation, and I think that’s particularly true when it comes to technology development and deployment,” says Gregg.

“You need to think about the relevance of systems and processes, and make sure that while you’re developing a global solution, you’re implementing it locally. Some aspects of a rollout may need to cater for different cultures, and knowledge shouldn’t be automatically assumed across borders. People might be at slightly different stages of learning curves for various reasons.

“The fax is still king in China,” she asserts. “Don’t build technology in the UK and assume you can simply switch it on elsewhere. Investment in technology and ways of working is part of ensuring the region has the tools to perform at a high client service watermark, but they need meaningful education and learning interventions to support the change.”

When the firm implemented Aderant’s Expert Time Management solution in 2012, for example, a key driver was to increase time capture – and with Found Time, this even guides lawyers to reconstruct their days by breaking activity down into more clearly defined tasks connected to matters such as individual emails and telephone calls. Affecting daily user habits is clearly paramount, as non-compliance with procedures means lost or inaccurate time and missed targets. The technology allows layers to view personal, and total, time statistics in real time, draft entries and later revise them to produce a better picture, and configure for any firm-specific entry requirements.

“Our rollout was very much led by the lawyers, which helped us to bespoke it. We used people in the front line of the business here to help prepare the best processes and train people in the necessary procedures,” says Gregg.

“It’s my understanding that’s becoming more common than traditional classroom training, and it was certainly a critical piece for us in managing the change.”

And with Aderant’s On The Go Time functionality, fee earners can enter and access such information on

smartphone and tablet too, whether online or offline, travelling, visiting a client or sat in court.

“Our people here are a pretty mobile bunch. There’s a lot of business travel and business that goes on outside the region. A lot of our lawyers will spend time in the UK,” Gregg continues. “The region hasn’t yet fully adapted to the concept of remote working as a way of life, but as working flexibility evolves, having the technology in place already will allow firms to move quickly and further embrace IT that supports team working and building new business across jurisdictions.”

Yet to be implemented, another product and project that will impact RPC’s future operations in Asia is Aderant MatterWorks, which uses historic cost data to improve the assessment and pricing of prospective work. In Singapore, in particular, firms are under no less pressure than in the UK to offer alternative fee structures with greater upfront transparency as to how total charges break down – increasing the importance of accurate estimation that is continually revised based on current workload.

“It ought to instil a more robust approach to financial and client planning, pricing and the overall commercial strategy behind the work we do, leading to a more profitable outcome,” Gregg explains.

“Singapore is a younger market than Hong Kong, but there are a lot of sophisticated clients there who have worked in the UK market, in particular, for many years.

“They moved over with the big insurers to establish a fast-developing regional hub alongside Hong Kong, and we need to support that just as we do in the UK, including using technologies that can enhance matter planning in line with new client expectations.”

As firms continue to resize and adapt their operations as relevant regional opportunities evolve through new national trade treaties and ties, like RPC, they will need to consider each new destination afresh and unencumbered by assumptions – creating an atmosphere of cultural sensitivity and connectedness using collaborative working approaches supported by suitable technology.

Find out more about

Aderant

www.aderant.com



A portrait of Nathan Best, a man with a beard and glasses, wearing a dark suit, white shirt, and a purple and blue striped tie. He is looking directly at the camera with a neutral expression. The background is blurred, showing what appears to be an outdoor setting with some architectural elements.

Briefing Industry Interview

Currency affairs

The ability to transact in local currency can be a key asset for firms expanding eastward, says Nathan Best at Western Union Business Solutions

Big law gets bigger by carving new routes to growth – and firms are expanding by carving new routes to emerging markets. But what are the nitty gritty specifics behind such expansion?

Finance infrastructure is a key component in international manoeuvres, particularly when it comes to getting funds to the right place at the right time. Being ready to transact in the currencies of emerging markets

is a big opportunity for firms to get the business regionally focused, win more of a client's work – and to win new clients entirely.

Client demand translates to a need for international capacity for legal businesses. And the payment process is one way firms are binding with their client businesses. As firms venture further afield to strengthen their relationships – be it through merger, acquisition

or organic growth – they need to combine the right processes with reliable local knowhow.

The rise of the renminbi (RMB) in China, going from near zero in 2010 to 17% of all the country's cross-border trade in 2015, highlights how firms need to be prepared to transact in alternative ways to better service their clients. And it may prove a risk for the firms that aren't.

"In a truly globalised world," says Nathan Best, director of the corporate client division at Western Union Business Solutions, "the ability and capacity to transact wherever your clients need you is a prerequisite." That wider reach is adding value to clients, he says, not only by saving money when operating in the local currency, but also by making the firm an integral partner in the client's overseas operations.

"Emerging markets, particularly in the Far East and China, are seeing corporates expanding and trading in new markets. So it follows that firms need to provide services and solutions in those countries too, or their competitors will," says West.

The RMB is now the fifth highest rated currency, according to the latest research. The shift toward increasing cross-border payments and global investment handled in RMB has happened in a relatively short period of time, says Best. "It's a statement of intent, and it's very likely to increase as time goes by."

Just one incentive for clients – and thus for law firms – to deal in the local currency is manufacturers offering discounts on orders paid with RMB. Because China's exporters increasingly don't need to transact or hedge in dollars (which is often a costly process), they can afford to lower their business costs.

This will lead to more trade, says Best. "Local companies are making prices more attractive to those conducting business in the local currency. There's an opportunity to reduce spend by way of getting invoices discounted.

"China's economy has stalled for the first time in many years, so it's now facing similar challenges to Western economies. The country will want to trade its own currency to strengthen its position."

This is more opportunity for businesses to get a competitive edge, he says, while posing a risk if they find that they can't.

Regulatory risk

International expansion risk isn't limited to the volatility of currencies, says Best. There's also what, to many firms, is the unknown quantity of regulatory and compliance regimes in those target markets. "Regulations often vary from province to province. Knowledge of your client and their market is a challenge for law firms the world over." Service delivery is significantly boosted if a firm can safely partner with their client to grow the relationship, he says. "Getting the appropriate permissions and approvals to trade means the firm can also focus on its core business."

Political climate is another barrier that may restrict international strategy – and have a knock-on effect for reach into new territories. Being awake to changing political and economic landscapes, such as sanctions, is essential. "You need the appropriate accreditation in the Middle East as well as China, for example. Sanctions are a volatile area, so you have to be ready for change," says Best. "Sanction screening is one way to ensure payments remain valid, and that clients and firms won't fall foul of the authorities."

Clients are looking closely at their own profitability too. "The international payment process is an enabler for a stronger relationship. If one firm isn't prepared to transact locally, another one will," says Best.

For example, robust payment provisions against lost or incomplete payments reduces pain points. And from the firm's perspective, says Best, they ensure new teams overseas can pay key hires efficiently. "One firm that expanded capability in Japan and Hong Kong needed to make salaried and bonus payments to extend its reach. Payments to senior partners need to be made and received on time to cement the relationship. Otherwise it can become a reputational issue."

Compliance risk audit ought to be at the heart of every business. It's an area that needs significant investment, but achieving global scale can put the firm at the centre of the client's business moves. And now, more than ever, going global to match client need is becoming essential for big (and bigger) law.

Find out more about
Western Union
Business Solutions
business.westernunion.co.uk





Briefing Industry Analysis

Consistency matters

Technology is on hand to help law firms ensure they're providing consistent document quality in a fraction of the time, says Julian Morgan at LexisNexis

There aren't many factors more fundamental to a law firm's success than the accuracy of the documents they serve up to clients. A serious error can easily be the difference between winning and losing a case, or even lead to the loss of a key client relationship.

But a solution is now increasingly being found through use of technology in the proofreading process.

With policies currently difficult to monitor and enforce – and with the inevitability of human error – a wide range of firms are now turning to technology to create a more standardised process, both generating efficiencies through significant time savings and creating a more robust compliance culture.

LexisDraft is one recent example of this, a Microsoft

Word toolbar that checks across multiple documents on a deal for correct use of definitions, citations, referencing and numbering, as well as consistency in key phrasing.

The outcome of such an implementation is that firms can, in effect, introduce the process as a mandatory quality-assurance step in the wider document-production process. And the evidence is that they are doing just that across the spectrum of firm size and specialism. Law firms that have recently adopted LexisDraft include private equity-backed Knights in Staffordshire, Cheshire and Gloucestershire, East Anglian top 100 firm Birketts, and now international firm Berwin Leighton Paisner.

Taking time

The benefits of the process are twofold – reducing the administrative burden on fee earners, thereby improving their productivity, while also allowing the firm to verify that a fixed and approved process has been followed. Firms are seeing 75% reductions in the time taken to proofread a complex legal document – a saving that in turn allows them to compete more aggressively for clients on price.

When **Briefing** surveyed legal professionals in 2014, it emerged that prioritising proofreading had potential to be a big problem. A third said they had skipped manual steps when faced with heavy workload or pushing a deal through to close.

But a related issue was the clarity about accountability needed to ensure any process is followed. Almost half (48%) said business services should have responsibility for driving an efficient yet consistent review process, but 44% said it was a job for the fee earners drafting the documents in the first place.

We have found that while some transactional partners have started to investigate this for their own area, it's IT that has been best placed to look at the needs of the whole firm and – in delivering a solution that has value across multiple areas and roles – has deepened its internal relationship with lawyers. Fee earners see the benefit of uptake as it actually gives

them greater independence (and confidence) to own the documents they draft for clients. As they remain in complete control of the process they can manage their time more effectively.

On the management side, approval policies can still be tailored around the system's capabilities. For example, firms may divide proofreading tasks between lawyers with different levels of experience to exploit efficiencies further.

“The bottom line is that firms are giving their clients greater confidence in work quality while simultaneously saving time spent producing that work.”

Julian Morgan, head of drafting applications,
LexisNexis

The bottom line is that firms are giving their clients greater confidence in work quality while simultaneously saving time spent producing that work in the first place.

Indeed, the market shows a number of corporate counsel are using the technology on their own side of the process. So they know the difference it can make to the quality of work they receive first hand.

And with around a quarter of the largest law firms using LexisDraft to date, a split is fast emerging between those automating proofreading for greater accuracy and those that aren't. Clients are cottoning on to that fact.

Learn more about
LexisDraft
www.lexisdraft.com



Advertise in Briefing

Briefing gives you brand visibility and an authentic voice in the legal sector.

We don't just place advertorial in **Briefing** – we work with sponsors to edit, refine and reinvent their stories to make them relevant and useful to **Briefing** readers. Otherwise, why should they read them? Find out why many others have come back to **Briefing** time and again by contacting LSN.



Contact Sarah at Briefing on
0870 112 5058 or at sarahc@lsn.co.uk

Who we are...

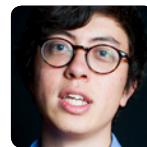
Briefing is published by [Legal Support Network](#), the only media and events business focused on legal business services



Rupert White is editor-in-chief of **Briefing** and LPM, head of content and community for LSN, and secretly actually the Gruffalo rupertw@lsn.co.uk



Richard Brent is editor of **Briefing** magazine. He is responsible for scoops, creative flair and keeping Berocca in profit richardb@lsn.co.uk



Declan Tan is **Briefing's** assistant editor, responsible for word wrangling, fact checking and liquid layout skills declant@lsn.co.uk



Sarah Cox is LSN's head of client services and chief Streatham Mum. Contact her about advertising in **Briefing** sarahc@lsn.co.uk

Follow LSN on 

@lsn_team @Briefingmag