

“In this age of fiberglass I’m searching for a gem” – *Competition, technology and the regional firms of Asia*

By Patrick Dransfield

Back in 1996 when I first started visiting law firms I was apprentice to two bosses; the late Chris Brown, founder-editor of IFLR, and Dominic Carman, the managing director of Asia Law & Practice. When meeting senior partners, both Chris and Dominic would begin their interviews with “So, how many lawyers have you added recently?” It was as if growth of the number of lawyers was the sole criteria of success. But is it?

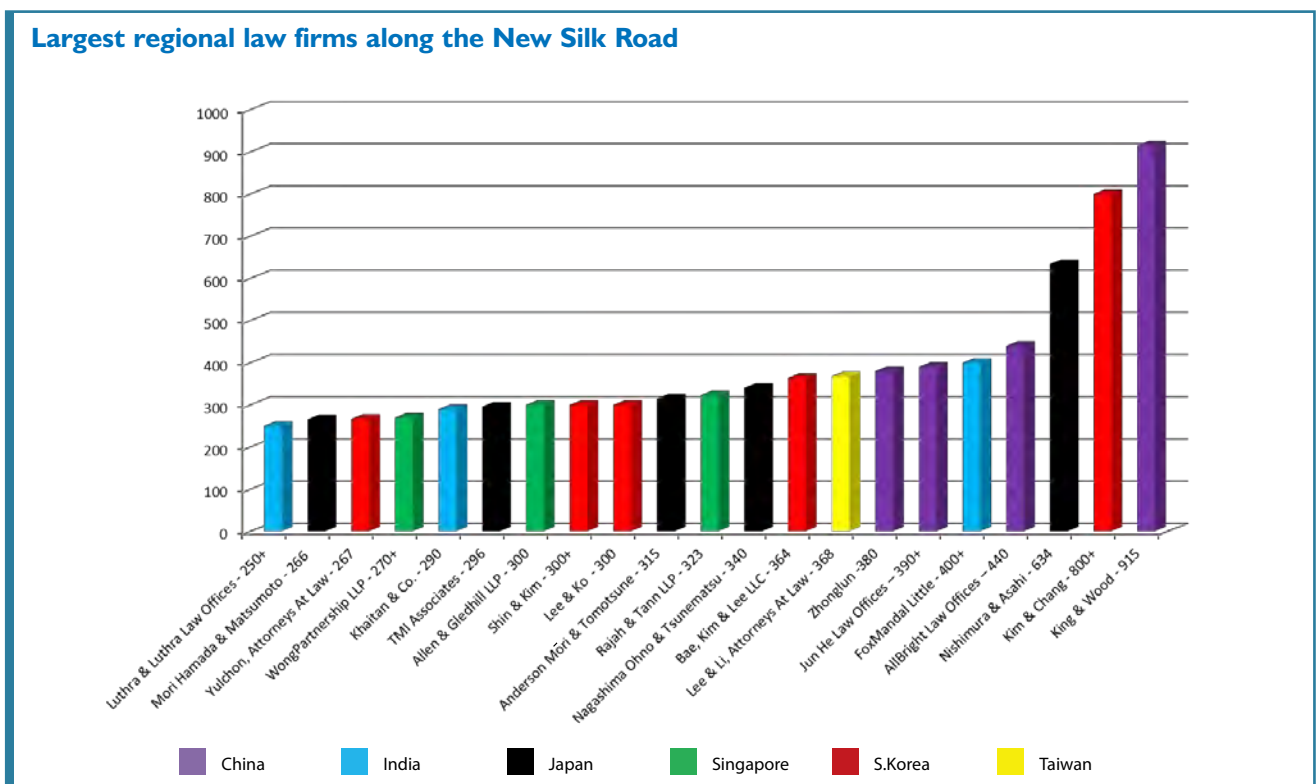
Certainly from the mid 80’s to

the mid 90’s when Chris and Dominic were most active, law firms enjoyed exponential growth and international expansion. It is out of these seeds that the holy grail of the global, full service law firm took root. But to provide a truly integrated service in every part of the globe? – thus far to my view this remains a chimera.

Similarly, in certain Asian jurisdictions, and especially Japan and South Korea, the majority of the local law firms have equated success with swelling head counts rather

than profitability, client care or sustainability. As we enter the Great Austerity, in-house counsel have to ‘do more with less’ and stretch the legal dollar spend at a time of greater regulatory and legal risk. And in-house counsel are increasingly seeking excellent service at a lower cost; and looking for on-the-ground expertise through local and regional firms along the New Silk Road.

The figure below is taken from the soon to be published *ASIAN-MENA COUNSEL In-House Handbook, 2012*



and represents the largest 20 local and regional law firms that have 250 lawyers or more. When considering entering the Asian and Middle Eastern markets, law firms in North America and Europe would do well to consider their local competition: they may well know their comparative competitive standing among their US and English peers, but have they truly analysed the regional talent? Probably not.

Professor Susskind's thesis that the advance of the internet has revolutionised the legal industry has undoubtedly been proven correct. And given the likes of Bill Gates and Steve Jobs as potential role models where one might expect US firms to have an edge over their rivals is in the deployment of

technology. However, I see precious little innovation from the US firms active in the region in this space. And in this new, flat world, regional and local firms have as much access and

“... providing true client-related service is much more important than simply being the biggest”

ability to utilise cutting edge delivery of legal services as their international rivals. Indeed, Rajah & Tann's precedents system has been singled out for public acclamation by an eminent general counsel in Malaysia for being the best in its class.

And, as the example of Indonesia's Melli Darsa proves, with only thirty-four lawyers but the top number of votes by our in-house community in Alternative Investment Funds, Capital Markets, Corporate & M&A and highly recommended in Restructuring & Insolvency*, being focused and providing true client-related service is much more important than simply being the biggest. If there is one lesson that the international legal industry has learned in the past decade, it is one size does not fit all.

Patrick Dransfield is the Publishing Director of Pacific Business Press. He has fifteen years experience working alongside the legal industry, including eight years of working directly for international firms (Shearman & Sterling and White & Case, respectively) as Marketing Director, Asia-Pacific.

* Representing Corporate Asia & Middle East Survey 2011, published in ASIAN-MENA COUNSEL, Vol 9, issue 6, 2011. Pacific Business Press.

BAKER & MCKENZIE

SEAMLESS GLOBAL SOLUTIONS FROM THE WORLD'S LARGEST LAW FIRM AND BEST KNOWN LAW BRAND*

“Faultless technical advice - they take a pragmatic approach in order to work around what you are trying to achieve.”

Chambers Asia Pacific 2011

For more information, please contact Josephine Poedenphant at josephine.poedenphant@bakermckenzie.com.

www.bakermckenzie.com

*Source: Sharptegal™ Global Elite Brand Index 2009, 2010 and 2011

Baker & McKenzie International is a Swiss Verein with member law firms around the world. In accordance with the common terminology used in professional services organizations, reference to a "partner" means a person who is a partner, or equivalent, in such a law firm. Similarly, reference to an "office" means an office of any such law firm. This may qualify as "Attorney Advertising" requiring notice in some jurisdictions. Prior results do not guarantee a similar outcome.

