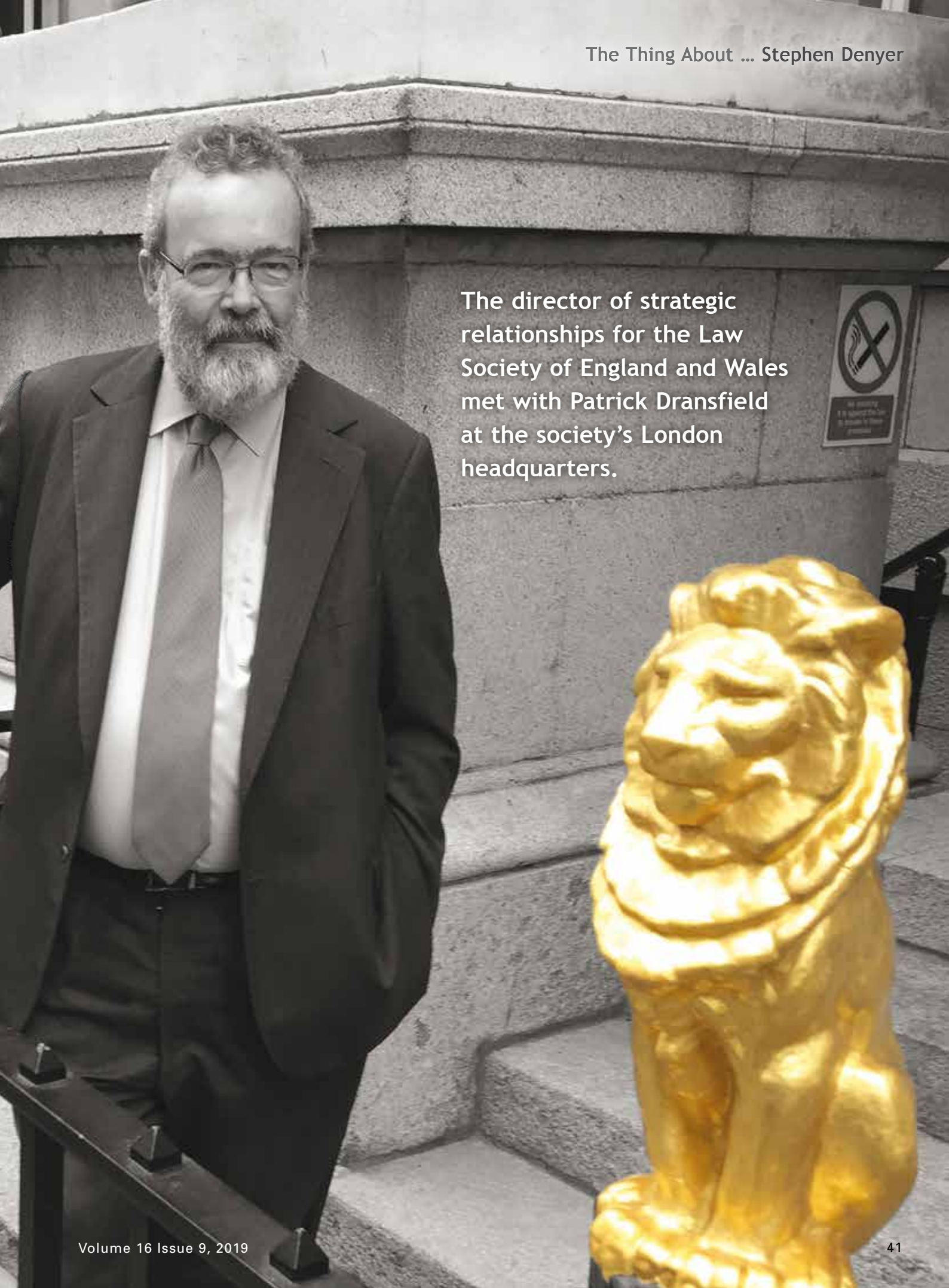


The thing about ...

Stephen Denyer

Photo: Patrick Dransfield



The director of strategic relationships for the Law Society of England and Wales met with Patrick Dransfield at the society’s London headquarters.



Your private practice career – from trainee solicitor at Allen & Overy in 1978 to global markets partner in 2014 – parallels the expansion of international legal services and the growth of English Law and UK-based law firms. What are your observations about that period?

Globalisation of the market for legal services and the global expansion of major business law firms occurred during my career at Allen & Overy and I was fortunate enough to be able to participate very

actively in that process. For me, two major events occurred in close proximity – one being the creation of a single legal services market in the EU and the other being the collapse of communism in Central and Eastern Europe. Those two events presented an opportunity for my firm to expand rapidly across the whole of Europe and diversify from being a firm which only practised English law to one which offered a substantial range of capabilities in many major systems of law. That development of a strong

pan-European practice, combined with A&O's traditional strengths in banking and capital markets, provided the engine which drove A&O's wider development and expansion in Asia, North America and beyond.

A&O's international growth during my time with the firm was largely organic, requiring a painstaking process of office opening and lateral hiring. This presented many challenges, but also gave us an opportunity to create a very solid foundation for the continuing success of the firm. In my experience, the key element was always achieving the best cultural fit and ensuring that the people that came on board shared fundamental values and perspectives.

Contrary to popular belief, a firm like A&O is not constantly seeking opportunities to open new offices and expand geographically. There are many costs and potential risks associated with each market entry, whether that involves the establishment of a new office in a new jurisdiction or a merger with a firm based in another jurisdiction. For this reason, I am just as proud of the work I undertook for A&O in developing its network of relationship law firms around the world as with our achievements in adding additional jurisdictional capabilities of our own.

Tim Harford, the Undercover Economist, warns us not to project future growth on present and past performance. Do you think this applies to partnership law firms?

The traditional "one global firm" lockstep partnership model much favoured by London's magic circle has many strengths, creating shared common interests amongst the partners and encouraging everyone to work together as a team for the collective benefit of the organisation. However, these firms have generally been pyramid structures dependent on steady growth at the bottom through the hiring of large numbers of able and enthusiastic young lawyers who can come up through the ranks to become the partners of tomorrow. In mature markets, it is becoming increasingly challenging to maintain that model whilst at the same time maintaining and increasing profitability. This is not only encouraging firms to evolve their structure and strategic priorities, but also encouraging younger lawyers to consider their career in different phases, often involving moving from one employer to another in a strategically planned way. That presents some challenges, but also offers many opportunities for more varied, tailor-made careers.

In my opinion in-house careers are becoming

increasingly attractive for the brightest and the best. I am sure that a growing proportion of the leading lawyers of tomorrow will have spent part, or even the whole, of their career in-house. Law firms will need to fundamentally rethink how they manage and develop key client relationships if they are to maintain their success and in this context the ability to adopt a collaborative approach to law tech and innovation will be key. The development of the CLO [chief legal officer] role as a key component of many in-house functions is giving a welcome boost to this evolution.

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The late, great management guru Peter Drucker once said that "culture will have strategy for breakfast". Do you agree? What has been the best – and the worst – cultural aspects relating to the practice of law that you have seen?

There are many great lawyers and great law firms in this world. The difference between individual and collective success and failure lies in the ability (or otherwise) of law firm leaders to match the culture and values of each individual lawyer to that of the firm. In my career I have experienced a number of cases where brilliant, hard-working and high billing partners were behaving in a way which demonstrated values and culture that were radically different from those espoused by the firm as a whole. In every case when we gripped the problem and moved the lawyer who was out of tune with the organisation out of the firm, the long term benefits in terms of improved performance by the wider team massively exceeded the short term challenges connected with the departure of a 'big hitter'. We normally ended up asking ourselves why we hadn't done it sooner, or better still not hired our former colleague in the first place!

I have seen particularly good examples of the value of a collegiate and supportive culture when I was responsible for creating new greenfield operations in emerging markets in Central and Eastern Europe. In those cases, when we started frequently there was no local lawyer with the relevant knowledge and expertise in the local market to allow us simply to hire lawyers who were already recognised experts in some of the fields of

law that were most important to A&O. As a result our success depended on the active engagement and support of leading specialists based in mature A&O offices who freely gave time to support the transfer of knowledge to, and practice development in, the new jurisdictions. I always found those worldwide team efforts particularly inspiring and energising, creating the feeling that we really had a special culture and values.

“International competition in the market for legal services does not damage the domestic profession, on the contrary it greatly encourages and supports its development and success”

It has been more than a decade since the Legal Services Act introduced the alternative business structure for legal services and carved out the regulation and disciplinary actions of legal providers to the Consumer Panel and the Solicitors’ Regulation Authority. How has the Law Society evolved post-2007 and what is its present and future mission?

The Law Society today is a professional body that is wholly focused on representing, promoting and supporting the solicitors’ profession not only in England and Wales, but also internationally. Much of the work we do is particularly relevant for large law firms operating on a multi-jurisdictional basis and large in-house legal departments and we regard those two constituencies as of vital importance to us. England and Wales has the largest legal services market in Europe, second only to the US globally. Home to more than 200 foreign law firms from around 40 jurisdictions, employing over 10,000 people, it is the preeminent global legal centre. London has firmly established its position as a world-leading legal and financial centre. The co-location and clustering of banking, insurance, fund management and other financial services underpins the capital’s position as a major centre for international legal services and the natural destination to conduct international business. As business becomes increasingly global, companies have a wide choice of laws, procedures and legal systems. The Law Society plays a wider role in highlighting the many benefits of choosing England and Wales as a jurisdiction, from English law and our court system, to our world-leading profession and arbitration system. We seek to ensure that all

relevant stakeholders realise that the legal sector of England and Wales is one of the UK’s greatest exports and our jurisdiction is home to some of the best law firms in the world, globally renowned courts and a wealth of legal talent.

Our work in influencing the development of law and the approach of governments and regulators around the world is recognised internationally and domestically as of vital importance and we are very proud of it. However, we also have much to do at home, representing, promoting and supporting a solicitors’ profession which comprises a large and diverse range of lawyers. There are many things that all solicitors have in common relating to areas such as the rule of law and access to justice. The modern Law Society is of course rightly proud of its achievements in those areas too.

I think we can all agree that, with reference to the most prominent but not the only examples of Brexit and the deteriorating US-China relationship, it does appear that the international zeitgeist has changed from open trade to protectionism. Are their circumstances where a country’s legal industry requires protection, in your view? What is the role of the Law Society in this context?

My jurisdiction is the most open in the world and in my opinion has benefited massively from that. International competition in the market for legal services does not damage the domestic profession, on the contrary it greatly encourages and supports its development and success. You only have to look at the growth and success of the legal services sector in those markets that have liberalised and opened in the last 30 years to see how those long-term benefits play out. Of course, the opening of legal markets that have previously been closed is best undertaken in a structured and controlled way, often involving a number of phases. The Law Society has unparalleled knowledge and expertise in these areas. We spend a lot of time and effort explaining how this is best handled for the benefit of all and are actively involved in discussions with relevant bodies around the world to support the opening of markets that are currently closed and to encourage and ensure the continuing openness of markets that are in danger of closing

The growth of technology can be seen as a hell or a heaven. What do you consider to be the role of the Law Society in preparing the profession, and society at large, for the challenges presented by, among other things, cryptocurrencies, cybercrimes and money laundering?

The Law Society has been at the forefront of the development of legal tech in the UK and has led discussions in this area involving a wide range of stakeholders, including the British government. We have thought long and hard about how legal tech can best be supported and developed and have made concrete recommendations in that regard. We have used our convening power to bring together many experts and prominent stakeholders to help with these efforts. However, this is not just about business success, we have also done important work relating to the impact of artificial intelligence and the use of algorithms on the justice system. We are uniquely well placed to be a leading voice in these important areas.

As regards the more challenging aspects of cross-border regulation in areas such as cybercrime, corruption and money laundering, we seek to balance our engagement domestically in the UK with relevant government and other agencies with our wider involvement with relevant bodies around the world. As in so many other areas, in a digital world things don't stop at national borders so the international perspective and influence of the Law Society is vital.

“Those trained only to re-heat pre-cooked hamburgers are unlikely to become master-chefs,” according to Andreas Schleider, the OECD’s director of education. What pressures do you see on the next generation of lawyers and how do you think the profession as a whole, and the law schools in particular, can better equip the next generation of legal professionals?

It is obvious that lawyers of the future require really strong tech skills and that both the profession and law schools play an important part in ensuring that those are developed in a collaborative fashion, breaking down traditional barriers between those sectors. Business skills are also important and it is good to see the growth in collaboration between law schools and business schools in an academic setting.

More generally, it will be extremely important that our profession becomes ever more diverse and inclusive. There is overwhelming evidence that diversity supports better decision making and that inclusiveness encourages greater productivity so these are not just ‘soft’ areas, but are also business critical.

Lawyers today are under unparalleled and relentless pressure from many different directions. Mental health and wellbeing has to be a top priority for the profession and part of our continuing efforts around training and development have to be focused on that necessity.

Overall, I am very optimistic about the profession and the future of young lawyers entering it, but current leaders in the legal sector have a heavy responsibility to create an environment in which the brightest and best young people are not only attracted to the sector, but also thrive in it and make a contribution.

What is your hinterland?

I am from the first generation of my family to study at university and am a product of the state education system in the UK. As a dyslexic, I found the study and practice of the law challenging, but very rewarding. Having continued to battle with dyslexia throughout my life I feel that dealing with this challenge has greatly added to my resilience, stamina and long-term success.

I am very much an internationalist and a strong believer in cultural diversity and inclusiveness. Married to a German wife, I have four bilingual children all of whom have studied and worked in various locations around the world. Twelve years living and working in Germany, while at A&O, has been an important and indeed defining part of my life.

Today, Stephen Denyer has a wide-ranging role with the Law Society of England and Wales focused particularly on the engagement of the Law Society with large law firms, large in-house legal departments and key international stakeholders. In addition to his Law Society position he is also a member of the Management Board of the International Bar Association and is on the Council of the American Bar Association Section of International Law. Stephen has had a lifelong interest in many aspects of learning and development and now sits on the advisory board of two law schools, both with very international reach and perspectives. Prior to joining the Law Society Stephen spent 36 years at Allen & Overy and, as a partner, made a significant personal contribution to the international expansion of that firm, by overseeing both the opening of 11 new offices of that firm and also the development of its relationships with law firms in jurisdictions where it did not have a physical presence.