The future of networks

Networks believe they are winning their battle with global law firms as advances in technology and cultural awareness play into their hands

By Matt Byrne 26 April 2018 09:30

The law firm network model received one of the most significant vindications of its success in 2015 when Dentons announced it was launching its own referral network, NextLaw, into this competitive market.
The launch of NextLaw certainly raised eyebrows, but for many independent firms it remains business as usual. While some observers remark that global law firms are becoming more like networks, and vice versa, others maintain that only networks can truly marry international coverage with top-quality service. Global firms may try to encroach on the network space, they say, but networks still have vital attributes that set them apart.

Here, our experts – The Lawyer’s European Awards 2018 finalists – discuss what they believe makes their networks special. They reveal how their modus operandi of collaboration is now supported by developments in technology, cross-border training and cultural awareness, and how such advances make them well armed to tackle the challenges of 2018, whatever they may be.

In which areas is the network model helping you capitalise, in contrast to global law firms?

**Michael Siebold, chair, Interlaw:** The past two years have seen the waters increasingly muddied in terms of large firms adopting the network model, and it’s a trend that will only grow. International law firms are becoming

**Orlando Casares**
Principal
more like networks and networks are becoming more like international law firms, but with one distinct advantage – networks offer better value for money as they do not have the expense of supporting the vast infrastructure international firms have to maintain because of the independence of our firms.

Consistency of quality and service is cited as the most significant challenge in working with international law firms, and other issues include inconsistent working practices between offices, as well as patchy local insight and understanding of local cultures.

Harry Trueheart, chair, TerraLex:
Several recent studies, including the one completed by The Lawyer on behalf of Globality, show the network model is more relevant to clients now than ever. We’ve confirmed this in our own interviews, surveys, and meetings with clients and prospects, who say their preference is to work with leading, locally expert firms in place of global firms, citing better value on fees and better client service as benefits.

In addition, since member firms are not competing for compensation credit – as is often the case when partners in a global firm refer a matter to others in their same firm – clients feel they are being treated like a top client by any member to whom they are referred.
Adam Cooke, executive director, Multilaw: First, in terms of global reach, no global law firm comes close to offering coverage in the number of countries we do. Second, the nimbleness of the network model is a huge advantage. We don’t have the layers of bureaucracy in our network or the expensive global marketing overheads that the global law firms have. Often, we can offer a quick, tailor-made, cost-effective solution to a client’s problem before the global law firms have even got their pitch documents together.

Tanna Moore, CEO, Meritas: Businesses have accepted networks to meet many needs including financial, R&D and legal. Acceptance of disruptive consumer models is thriving, like Uber instead of taxis and Airbnb instead of hotels. This contributes to the rethinking of age-old models. All kinds of networks serve customer needs while challenging existing cost structures. We believe the ideas of independence and local attention, which are built into global networks, will continue to trend.

Orlando Casares, principal, First Law International (FLI): Our network as a global platform for our members has empowered us to secure mandates in over 60 countries for law firms that otherwise would not have been able to attract the likes of Caterpillar, Ingram Micro, DHL, Medtronic and more companies at the same level. We have been able to introduce our members to such top tier clients who have been impressed by the speed, professionalism, and competitive rates meaning that in many cases, such clients disband their traditional panels and revisit their hiring criteria.

Sam Everatt, executive director, Ius Laboris: We can cherry-pick and build an international practice of top tier firms and practices, making us the obvious choice for employers. Our depth and breadth as a result represent a true differentiator.
Also, as independent firms we are more flexible and can tailor our offering to deliver greater value. Our firms understand each other and the challenges faced in our respective markets.

**Neil Sheehy, president, World Law Group:** Often, global law firms’ offices are just an extension of their headquarters, and not deeply rooted in the local business scene in terms of expertise, size or local presence. The network model gives law firms access to the best local firms in any jurisdiction. Local firms that are members of our network are established, with strong reputations in their respective markets, and have a deep understanding of local business customs and culture.

**What strategic internal reorganisations and changes have taken place at your network over the past year or so and what was the primary reason for these changes?**

**Siebold:** Interlaw conducted a detailed strategic review that resulted in our ‘Interlaw 3.0’ strategy. Together with our members we are putting in place a robust three-year plan, with defined projects and timescales, to create a legal network that embraces innovation, technology and sophisticated marketing and business development processes that can be shared by members to drive business and revenues.

To date, our focus has been on three core areas – growth, strong leadership and digital investment. Looking at growth, 13 firms joined Interlaw in the past year in the world’s largest legal markets – the US and Europe – and important emerging markets including Latin America and Africa. That trend continues in 2018.

"The waters are becoming muddied in terms of large firms adopting the network model, and that’s a trend that will only grow”
*Michael Siebold, Interlaw*

**Trueheart:** TerraLex has hired Terri Pepper Gavulic as executive director. Besides having operations expertise, Terri has almost 30 years’ marketing, business development and client relationship development experience in the
legal industry. Following my decision to step down after my seventh term as chair, TerraLex’s board of directors elected Tim Brown of RPC in England as chair-elect. In October Tim will take over the TerraLex leadership.

Cooke: We have recently formed a board-level referrals taskforce. Referrals are the lifeblood of the network and this taskforce was formed to ensure that the cross-border work our member firms are involved in remains as far possible within the network. We are aware that our member firms increasingly have other alternatives open to them when looking to service the international needs of their clients and the referrals taskforce has been formed to ensure that Multilaw continues to be the first choice when it comes to cross-border matters.

Moore: Meritas now has regional representation worldwide. Regional directors work directly with Meritas member firms within their markets across seven regions: the US and Canada, Latin America and the Caribbean, Europe, Africa, Australia and New Zealand, and Asia. Directors are accountable for the implementation of Meritas initiatives within the region, such as referrals, reporting, marketing and member engagement, while ensuring alignment with the unique characteristics and needs of the market.

Casares: Unlike most other traditional networks which are primarily US-centric, we are not selling memberships all over the map. This means we have only grown in areas where our clients truly require cross-border legal support.

By avoiding the temptation to succumb to a model like the other networks based on a bureaucratic administration centre requiring funding from members, we have been able to preserve our philosophical direction to be a true partner with our members. We have done this by creating opportunities for client mandates and business development to bond ‘FLI NET’ members together, which has resulted in a family-type atmosphere, whereby members feel integrated and empowered to grow.

Everatt: We have moved away from a committee structure to a team project-based structure whereby teams grow organically for the duration of an initiative then disband at the end. Committees were great when we needed to strengthen our internal networks, but because the market is now developing more quickly, we need to move more quickly too.
Sheehy: As a result of our growth and the related increase in member-service needs and the organisation’s expanding programmes, services and events, we reviewed staffing needs at the end of 2016. This resulted in a reorganisation of our management team.

We have also made some structural changes to the leadership of our 11 practice and industry groups. We wanted to be sure all regions were well represented in group leaders, and that the groups that were not as active as they could be were reinvigorated.

After taking a close look at the leadership in each of those groups, we put in place a three-pronged leadership structure comprising a co-chair from each of our three regions for each group. We are still in the process of identifying the appropriate leaders for each group, but have made quite a bit of headway on this in the past few months.

“We create opportunities for client mandates and business development to bond our members together”
Orlando Casares, FLI

What kind of training are you providing for your lawyers and why? Does your training programme fit with a wider strategy you are developing?

Siebold: We host a varied and engaging programme of events throughout the year, with a focus on bringing member firms’ clients to meet, develop business opportunities and network with Interlaw lawyers from around the world. We are aligning our event programmes and the training we provide to our Interlaw 3.0 strategy and the implementation of that strategy, themed seminars and meetings over a 12-month period to support member firms and help them deliver our overall strategy, in topics such as ‘Winning international pitches’ or ‘Legal project management’.

We also used our 2017 events to collect data and input from our members to promote our Interlaw 3.0 strategy. For example, at our EMEA regional meeting in Romania in June, we held a successful teambuilding day during
which members worked together to produce a book that informed the
development of our Interlaw 3.0 strategy for growing the network and
engaging with clients.

**Trueheart:** We have launched a programme in which senior TerraLex team
members visit member firms and their clients, with over 35 visits completed
in 2017. During these visits we present information about how to maximise
TerraLex advantages to a variety of constituents so the content is relevant.
For example, on a given visit we might present separate programmes to
partners, associates, and marketing or business development professionals.
This helps members better understand how to leverage their network
affiliation for business development and client relationship success.

**Cooke:** We deliver a series of webinars each year that are available to all
lawyers of our member firms, and their clients where appropriate. These
typically cover a topical legal issue such as GDPR and feature experts from
our firms as well as external speakers. We also feature practice management
webinars for those who participate in the running of our member firms.

For lawyers coming up through our ranks we have our annual Multilaw
Academy. The Academy is an intensive six-day residential training
programme that covers all aspects of being a cross-border lawyer and
includes more than 35 hours’ formal instruction and discussion, and
numerous hours of informal interaction. The 2018 Multilaw Academy will
take place in Chiang Mai, Thailand.

Finally, we have our contact partner induction programme. This is run just
before our annual global meeting to equip Multilaw contact partners at
firms who have just joined with everything they need to get the most out of
the network.

**Moore:** We provide a wide variety of training to members – from firm
management and marketing to leadership development and industry trends,
to topics affecting the profession, such as cyber security.

The Meritas cyber security training fits within a wider strategy the network is
developing to address this hot topic. Meritas has created a cyber security
strategy against which all Meritas firms will be evaluated. The standards,
which Meritas expects to unveil later this year, will become part of the
network’s rigorous quality programme. The quality programme is what
distinguishes the Meritas network. The highest standards are used to evaluate incoming members and for benchmark evaluations to retain membership. Meritas cyber security standards will be incorporated into its firm evaluation process.

**Casares:** Training is a characteristic of the FLI network. Every six months we sponsor a major event. The spring conference brings together between 45 and 60 countries; the fall conference is regionally based in Asia Pacific; and in between these two major events we stage a number of cross-border roadshows (such as Balkans and SEE, LatAm and AsiaPac).

During all our sponsored events we take the opportunity to conduct training among partners and clients. This is done through panel presentations, practice group clusters and subject matter breakout sessions.

One particular area that has further defined FLI membership is our compulsory anti-corruption compliance certification training which every member has to undergo. The aim is to bring every member up to the same level of proficiency in such an area of growing concern to in-house legal teams.

"We’ve moved to a project-based structure whereby teams grow just for the duration of an initiative – the market is now developing more quickly so we need to move more quickly too\"

*Sam Everatt, Ius Laboris*

**Everatt:** Training has for a long time been part of the glue in Ius Laboris. Over the years our training has evolved and we now have a comprehensive programme for the associates in our alliance on project management, business skills and topical labour and employment legal issues. We have always believed that the value of face-to-face training far outweighs the time and cost involved, as the learning experience is deeper and the strength of relationships will stand us in good stead for the future.

**Sheehy:** In 2015 we launched our ‘International Exchange Program’ in which clusters of member firms exchange younger lawyers for three weeks. This
involves a customised professional development programme on local law, business development and client service, meetings with local partners/practice groups, and much more. This provides participants with a great introduction to other member firms. Since the programme launched in 2015 we have had 39 interns participate.

See other special reports from The Lawyer, including Swiss firms must innovate to get a piece of the action.

This article is taken from The Lawyer’s monthly magazine. The April issue contains insights into succession planning at top firms, plus in-house interviews and key findings from the Global Real Estate 50 report. To subscribe please click here.

If you already have an online subscription, you can contact customerservices@thelawyer.com to upgrade to print and online.

By Matt Byrne 26 April 2018 09:30
Post comment
Global Features Dentons