Providing legal services in a globalising world

Stephen Denyer
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Comparing law firm models

- Full service international
- Limited international
- Regional
- National
- Specialist
- Boutique
Emerging “global“ full service elite

- A&O
- Clifford Chance
- Freshfields
- Latham & Watkins
- Linklaters
- Skadden, Arps

Beginning to set themselves apart by:

- Scale
- Geographic reach
- Focus on high end, premium work for the largest clients
A&O commissioned detailed independent research during 2006 into clients’ views on a wide range of issues including globalisation.

It was found that General Counsel do not speak with a single voice in relation to global law firms.

There are two different schools of thought:

- Some clients favour the one-stop shop and the globalisation of law firms.
- Others like to ‘cherry pick’ and often have no interest in whether firms have international capability.
The strategic landscape

- High-end legal services market consolidating, driven by:
  - The pace of globalisation
  - Increased regulation
  - Increased complexity of deals and business
- Client expectations – more for less!
- Technology aids collaboration, but …
- Increased commoditisation
- Challenging economic conditions
The challenges of...
 Global
 Lean
 Competitive
 Clients & people
 Growth
Global

- New York
- Germany and France
- BRIC and Middle East
- Asia
- Limited resources
Lean

- Managing our staffing levels through peaks and troughs
- Managing our costs
- Technology: leader or follower?
- Building high quality support – thinking globally but acting locally
- Off shoring and outsourcing
Competitive

- Intense competition – we need to remain in the leading group
- Commoditisation: threat or opportunity?
- New forms of competition
- Silos
- Recession
The evolution of legal service

- Bespoke
- Standardised
- Systematised
- Packaged
- Commoditised
Clients and our people – what they both want

- Listening
- Understanding
- Aligning
- Innovating
- “A trusted advisor“
A measure of law firm success

Client satisfaction vs. People motivation
Growth

- Limited availability of leadership talent and partner resistance to heavy management structures
- Organic/lateral growth versus merger
- Balancing short term profitability with long term investment
- Managing complex global client relationships
- Being more selective about the clients and the work we take on
The matrix approach

- The Board
- The management team
- Global support functions
- Jurisdictions
- Measuring performance
### The matrix approach

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Innovation

Why and what?

- Why?.....Everything around us is changing
- What?
  - Operational
  - Service
  - Business model
Innovation (cont’d)

How?

- 2 inputs:
  - Creative thinking – producing alternative ideas
  - Innovative thinking – determining how to implement them
- Create a culture of innovation
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