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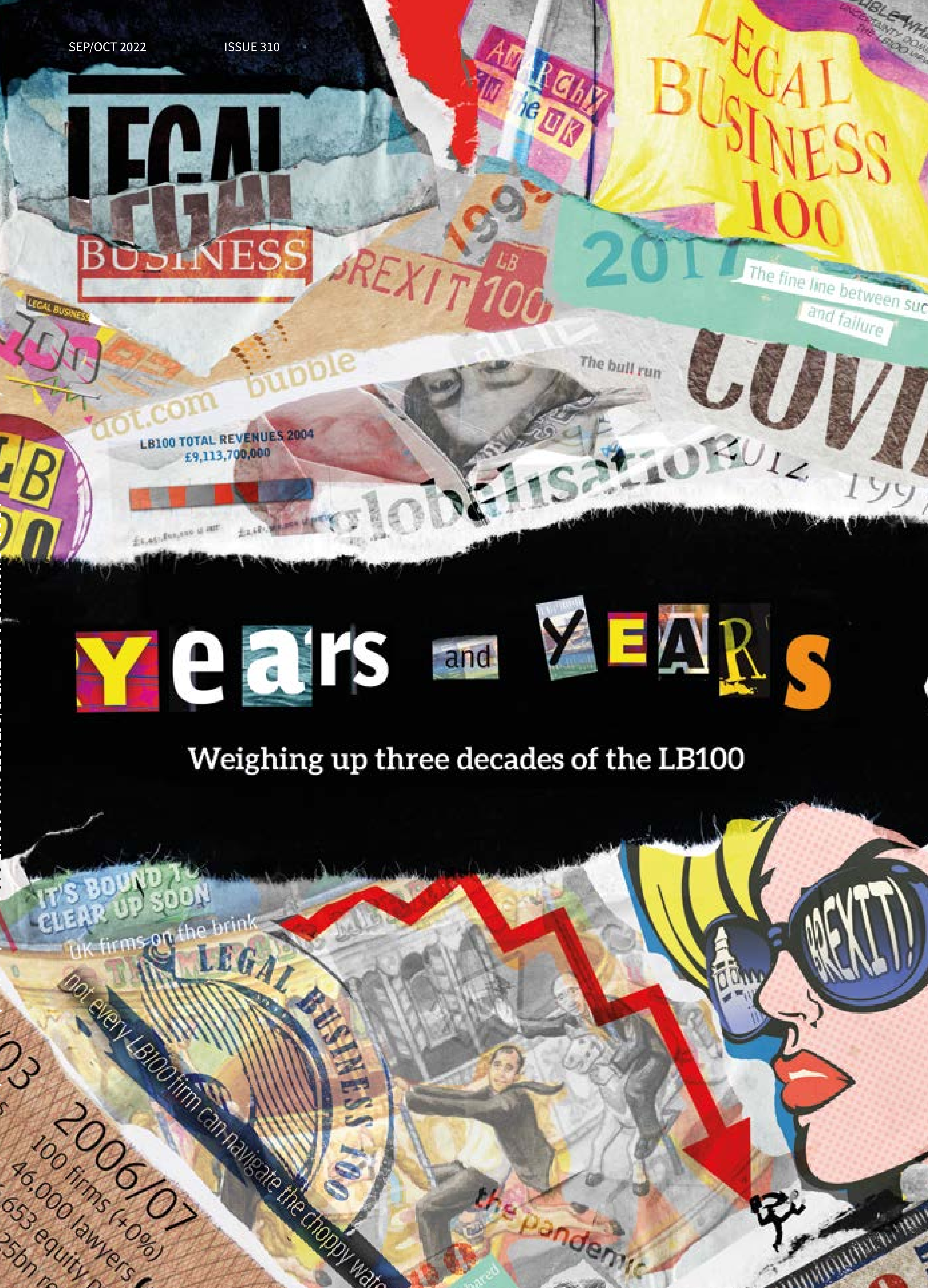

Years and Years

Weighing up three decades of the LB100

Chairman
John Pritchard
(Solicitor)

Managing editor
Mark McAteer has written and researched the legal profession for 25 years.
Tel: 020 7396 5664

Editor
Nathalie Tidman has been a business journalist since 2012 and has a special interest in corporate law, finance and ESG.
Tel: 020 7396 5604

Senior reporter
Tom Baker has a particular focus on the disputes and in-house markets.
Tel: 020 7396 5632

Reporters
Megan Mayers joined in January 2022, having previously been a researcher at *The Legal 500*.
Tel: 020 7071 0168

Charles Avery joined in February 2022, having previously been a researcher at *The Legal 500*.
Tel: 020 7031 7705

Content development manager
Eleanor King

Content development
Harry Milburn,
Claire Slater

Digital managing editor
Tom Myatt

Cover image
Harry Milburn

Director of content
Stephen Jones

Group director
David Goulthorpe
(Tel: 020 7396 5628)

Head of sales
Lee Cashman
(Tel: 020 7031 7707)

Senior business development manager
John Jennings
(Tel: 07756675873)

Business development managers
Barış Agun
(Tel: 07890 170822)
Jack Shannon
(Tel: 020 7396 9292)
George Wilton
(Tel: 077948 51141)

Subscription enquiries
Tel: 020 7396 9313
Email: subscriptions@legalease.co.uk

Address emails to:
firstname.surname@legalease.co.uk

www.legalbusiness.co.uk

Law firm subscription rate available upon request.

Legal Business
188 Fleet Street
London, EC4A 2AG

Tel: +44 (0) 20 7396 9292
Fax: +44 (0) 20 7396 9301

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NATHALIE TIDMAN, EDITOR

30 years of *LB100* – So much has changed but also shades of déjà vu

It is always educational and entertaining to view how the industry has evolved through the eyes of those veterans who lived it, and this – the 30th anniversary of the *LB100* – presented the perfect opportunity to do that.

Some of the recollections from pundits on the 1990s speak of a time that appears far more archaic than seems likely of a mere three decades ago. RPC managing partner James Miller’s observation is a case in point: ‘When I joined RPC in 1995, we had a bunch of disconnected terminals, and we still had typewriters. You could also still smoke in the office – we had enormous ashtrays everywhere!’

Pinsent Masons managing partner John Cleland makes the point that 30 years ago, the legal press didn’t exist. Of course it did, or we would not be marking this landmark issue, but a leaf through that very first *LB* financial report from 1992 just goes to show how much has changed in the industry, and along with it, legal journalism.

On a fundamental level, the report was a much smaller animal 30 years ago than it is now, with only 35 firms meeting the £20m plus revenue criteria for inclusion in the hallowed list. Now the comprehensive table is bookended with DLA Piper’s £2.642bn at the top end and Boodle Hatfield’s £30.7m at 100th place.

Perhaps not especially shocking, but diversity was not really a thing back in 1992 either, with only one solitary woman featured in the pages (needless to say, no one senior). A female senior partner in the Magic Circle would have been unheard of, notwithstanding that the collective term had yet to take off in earnest 30 years ago.

There is no nod whatsoever in our first financial survey – and neither would there be for a good 20 more years – to diversity of gender, ethnicity and thought making for good business sense. Neither is there any mention of talent retention because, well, lawyers didn’t move firms back then. They just waited it out for management to tip them the partnership wink, or not, as the case may have been.

Intrinsically linked to this is the leaps and bounds development of technology, with many commentators in our 30-year retrospective citing the dawn of the BlackBerry age as being among the most transformational shifts of the era, albeit that it turned out to be a double-edged sword. As Cleland notes: ‘When the technology was introduced, we thought it would increase our leisure time – the technology would manage everything and we could sit back for the rest of the day. Instead, it raised expectations and return times for clients – there’s much more pressure now.’

Some of the recollections from pundits on the 1990s speak of a time that appears far more archaic than seems likely of a mere three decades ago.

There are shades of familiarity and parallels that run between then and now. In 1992 the almost non-existent legal press was asking how firms would handle a recession. What with the war in Ukraine, the cost of living crisis and the volatility of interest rates and inflation, not to mention the almost daily sideshows from the government, it looks like we are here again. With bells on. Interesting times, indeed.

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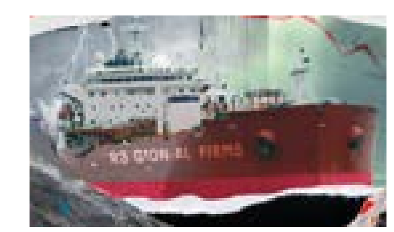


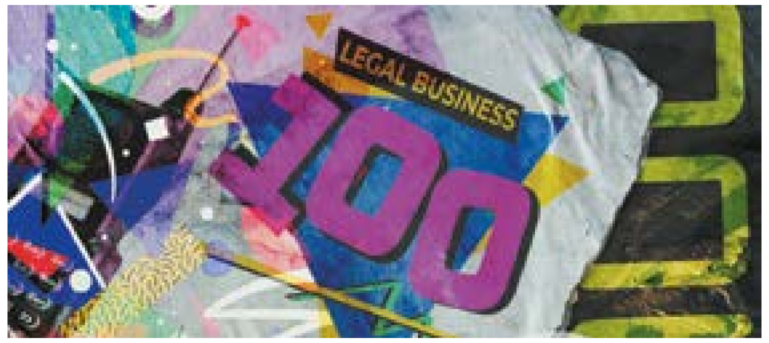
Still vulgar to talk about money? Three decades have made the industry less coy

'I don't think you will get any of the City firms to talk about this sort of thing… You have? Well. I am astonished. It is one thing for the Americans and accountants to get into this sort of thing, but not the lawyers.'

'Anyone who gives you that information will be booted out of the partnership.'

'When clients see these types of figures, they will inevitably think we are being too highly paid and in many ways they are right. I can see a time when lawyers will not be able to justify making this amount of money. We have to steer a course between our competitors laughing at us for not grossing enough, and clients being angered by the amount of money we are making.'

These three quotes, taken from our very first financial survey in 1992, speak volumes. The fact that no-one would go on the record, even for more generalist comment around law firm revenues, spoke of an industry above such grubby considerations as money. In spite of this reticence, the fact that *LB* managed to extract the turnover and profit figures of 35 UK firms with revenue over £20m by anonymous co-operators at those firms tells its own interesting story, even as that data was divulged despite ominous warnings from management around the partnerships.



The cloak and dagger secrecy of law firm financials has evaporated over time as the concept of the profession evolving into a business took hold.

But once the floodgates were opened, there was no holding back. The industry went from not knowing what profit per equity partner figures were one year, to in 1993 being presented with the financial data of the top 100 UK firms – the *LB100* as we know it today.

The contrast between then and now is extraordinary. In 1993 more than 20,000 lawyers in the UK grossed £2.68bn. Now, 76,627 fee-earners have amassed £31.35bn, more than a tenfold increase in turnover for the group. The average firm in 1993 had 200 lawyers billing around £27m compared with 776 lawyers billing £313.5m.

Faced with these comprehensive figures, it's fair to say that the cloak and dagger secrecy of law firm financials has evaporated over time as the concept of the profession evolving into a business increasingly took hold. That said, there are even now in 2022 firms which prefer to remain tight-lipped on the vulgar subject of lucre, with Slaughter and May (not required to file LLP accounts) being the perennial poster child of those not wishing to discuss financials. A handful of others did not disclose details of profit.

A read through this year's *LB100* report, as with the vast majority that preceded it, reveals nary an anonymous comment, indicative of an industry that has grown confidently into the groove of speaking about such pecuniary matters. It might also be said that this transparency speaks of a professionalised industry that has grown as *Legal Business* has grown with it, through the boom years and the bust.

The Quote

'The Queen complained and I was so relieved when it wasn't my dish!'

Kirkland associate Marco Bagnato on the stresses of cooking for royalty **p36**

By the numbers

42%

Turnover growth of the *LB100* in five years, from £22.07bn to £31.35bn **p61**

51%

Total profit growth of the *LB100* in five years, from £7bn to £10.55bn **p62**

Baker McKenzie breaks up UAE alliance following homophobic tweets

megan.mayers@legalease.co.uk
@meganmayersLB

Baker McKenzie in September announced that it is 'parting ways' with Dr Habib Al Mulla, name partner of member firm Habib Al Mulla & Partners, following a series of anti-gay Twitter comments.

Confirming that the 'separation process is underway', the firm said in a statement that it 'strongly believes that however much we may disagree with the beliefs and personal views of others, we must find ways to disagree respectfully, encourage inclusive dialogue and to ensure an inclusive work environment for all.'

On Twitter, Al Mulla confirmed the split and said: 'My personal opinions, which I expressed, represent my convictions stemming from my religion and principles. I cherish it and do not apologise for it. We are a tolerant society and accept the violator, but we do not accept that a thought and belief are imposed on us that contradict our Islamic principles.'

The current combined firm, which merged in 2013, has nine rankings across *The Legal 500*'s UAE rankings, including five in tier two.

Global chair Milton Cheng recently told *Legal Business* that the integration of its diversity and inclusion policies globally is one of the firm's top four priorities in the coming year. He also confirmed that the details of the separation are still being negotiated, but that the firm is working 'swiftly' to break ties.

In the meantime, the firm confirmed its intention to continue to operate in the region: 'We will continue investing in and developing our business in the UAE, building on recent hires in areas including M&A, employment, data privacy and tax. In addition, we have for some time been discussing the relocation of our Dubai office to the Dubai International Financial Centre, where many of our clients have their operations. We remain firmly committed to our clients and people in the UAE and the wider Gulf region.' ■

EU parliament eyes litigation funding regulation

The EU is gearing up to regulate the third-party litigation funding market following an EU parliamentary vote in favour of the resolution.

The regulations are intended to increase transparency, fairness and proportionality in the market, which until now has escaped formal regulation. Among the proposals is a 40% cap on the percentage of a court award or settlement that funders can claim, requirement for disclosure of third party financing and for court awards to be sent directly to claimants.

While detractors have argued that the regulations would make financing low and mid-value disputes in member states unviable for funders, it may also present opportunities for the UK, says Julian Chamberlayne, risk and funding partner at disputes-only firm Stewarts: 'In many European jurisdictions there are already significant impediments to access to justice because of regulations restricting alternative funding arrangements like CFAs and DBAs. Consequently, a move to regulate litigation funding may make it even more difficult for claimants to fund representation, particularly in real David v Goliath cases where you have a group of consumers trying to take on multinationals or governments. This would reinforce the advantage of litigating such claims in the UK, when the jurisdictional rules allow.'

This follows increased scrutiny of funding arrangements by UK courts, Hausfeld competition partner Lucy Rigby notes: 'The courts are increasingly familiar with the role that litigation funding plays in facilitating access to justice. The certification process for collective actions in the Competition Appeal Tribunal has introduced more direct judicial scrutiny of funding as the tribunal is required to approve the funding as being sufficient to pursue the claim and on appropriate terms. The resulting judgments have been helpful in offering clarity as to the types of arrangements, including as to levels of funding and particular terms of funding agreements, that pass muster.' ■

'A move to regulate litigation funding may make it even more difficult for claimants to fund representation.' Julian Chamberlayne, Stewarts

Global 100 firms expand in Asia as Dentons and Goodwin establish new bases

megan.mayers@legalease.co.uk
@meganmayersLB

Dentons has become the first global law firm to combine with a law firm in India, as it finalised its tie-up with full-service firm Link Legal in October.

Link Legal has five offices across India in Mumbai, Delhi, Bengaluru, Chennai and Hyderabad, as well as an existing New York office, which it launched in February 2022. It is ranked across nine practice areas in *The Legal 500*'s Asia Pacific guide, with top-tier rankings in aviation and projects and energy.

As foreign lawyers are prohibited from practising in India, Link Legal will represent clients inside India, while Dentons lawyers will represent Link Legal's clients elsewhere. Despite the regulatory restrictions, the combination, based on a Swiss Verein structure, mirrors the set up with its offices globally. Says global chair Joe Andrew: 'They will be full complete members of Dentons; there is no difference between their relationship to the firm than that in London or Paris or New York or anywhere else. It's a full combination. And that's what's unique about it, it just has never been done before, not anything close. Everyone else has had these attenuated relationships and they have tried to do something that's different, to be able to manage either their own perceptions of the regulatory market or their fears about the regulatory market.'

The global giant now has 215 offices across 83 countries and sees India as a key market to support the growth of its global corporate and finance practices. Andrew adds: 'There are key markets that it's very hard to argue do not help the financial centres in the world, and India is a clear example. Being the only global firm offering in India gives us a giant boost in the capital markets practices and in the larger elite corporate and M&A practices in London and in New York and other markets like that.'

Meanwhile, Goodwin became the latest US firm to launch in Singapore with the relocation of a team from Hong Kong. The team, which includes funds partner Greg Barclay, private equity partner Abhishek Krishnan and counsel Ananth Lakshman, will initially focus on private equity, technology and M&A.

Barclay, who relocated to Hong Kong from London in 2018, will chair the office. He says: 'We see Singapore as fitting right in the middle of the firm's global strategy in terms of our core focuses on private equity, technology, life sciences, financial services and real estate. If you look at where our clients are looking for the best opportunities to invest and to raise and structure capital, Singapore is increasingly seen as a hub.'

The Boston-bred firm first launched in Asia in late 2008 with two lawyers in Hong Kong. The firm now has more than 30 lawyers in the region, with recent additions including private equity partner Daniel Dusek in June 2022 from Kirkland & Ellis and Elyn Xing who joined in October last year from Debevoise & Plimpton.

Goodwin's launch coincides with a recent pivot by several firms away from Hong Kong. This has seen the relocation of Hong Kong partners as firms invest in the city state, while Addleshaw Goddard last month shut its Hong Kong office completely.

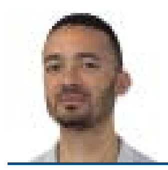
But for Goodwin, its investment in Singapore does not mean a departure from Hong Kong, confirms Barclay: 'We continue to see China as an incredibly important part of our overall Asia strategy and most of our clients in the private equity investment sphere continue to see the importance of China and North Asia generally, but clients are also certainly taking advantage of the opportunities in Singapore and Southeast Asia, which is fast growing in terms of tech and crypto, in particular. The region also continues to strengthen on the real estate side.'

As for its plans for the Singapore office, it's a case of watch this space as the firm marks its intention of deploying a characteristically ambitious recruitment strategy: 'We're here not just with a small group from Hong Kong, we have aspirations to grow and we certainly will be adding more people in the coming months.' ■

'There are key markets that it's very hard to argue do not help the financial centres in the world, and India is a clear example.' Joe Andrew, Dentons

Strategic recruitment: Kirkland takes four from the Magic Circle as global players make moves in Madrid

charles.avery@legalease.co.uk
@CharlesAveryLB



The beginning of autumn has seen the lateral hiring merry-go-round intensify after the more muted summer months, as UK and international firms secured substantive reinforcements in corporate, funds, tax and infrastructure.

The headline City arrival came as Kirkland & Ellis brought in Allen & Overy (A&O)'s global co-head of infrastructure Sara Pickersgill. Ranked in *The Legal 500*'s Hall of Fame, Pickersgill is an established market leader in infrastructure, energy and renewables corporate transactions, having been with the Magic Circle firm for more than 20 years. Pickersgill was swiftly followed to Kirkland by infrastructure funds partners James Boswell and Paul Sampson, who arrived from Clifford Chance and A&O respectively. Then in October they were joined by infrastructure M&A partner Toby Parkinson, who had been co-head of CC's infrastructure sector.

Kirkland also saw a departure, as Proskauer Rose continued to grow its tax practice, recruiting Frazer Money. A partner for more than five years, Money adds to Proskauer's expertise in the tax aspects of private fund formation and management.

Mary Kuusisto, Proskauer's London managing partner, told *Legal Business* that the appointment was a long time coming: 'We have found the perfect fit for what we've been looking for in Frazer. It was a long time that we were looking for somebody to fill this role. When we found Frazer we looked at each other and said: 'Yeah, he's the one. Let's try to get him.

'We have one of the largest private investment and fund formation practices on the London market. Frazer has lots of talents in different areas, but primarily he works on the UK and European side of putting those funds and partnerships together, representing the buyers and sellers in those fund interests. He has a specialty as well in representing a particular subset of secondary transactions that have become very, very hot right now, which are GP led secondaries, where the sponsor actually facilitates the buying and selling of interests in portfolio companies in their funds.'

Continuing the theme of US giants recruiting from London stalwarts, Fried Frank has welcomed senior private equity partner James Renahan from Travers Smith. Experienced in leveraged buyouts, consortium deals, bolt-on acquisitions and carve-outs, Renahan is the latest of Travers' corporate leading lights to depart for a US rival. Private equity talisman Paul Dolman caused widespread shock when he departed the London staple to join Latham & Watkins in January 2021.

Meanwhile in the US, A&O announced the next move in its US expansion project, as Zee Ahmedani joined the Los Angeles office from Goodwin. A partner in investment funds, Ahmedani specialises in assisting investment managers and sponsors with the organisation and establishment of private funds.

Speaking with *Legal Business*, A&O US lead Tim House, noted: 'The development of our alternative investment management clients continues to be a strategic priority for the firm and global fund formation and investment capabilities is a pretty critical component of that objective. One of the commitments that we made to other partners that have joined us in the US on the transactional side was to continue to build out our financial strength in the US, particularly to support our private capital plans here, but also globally. As well as the demand from our existing partners, the partners who've joined us in the last 18 months in New York, DC and California have brought with them some fund manager clients who need this service.'

'Frazer has lots of talents in different areas, but primarily he works on the UK and European side of putting those funds and partnerships together, representing the buyers and sellers in those fund interests.'
Mary Kuusisto, Proskauer Rose

On the hire of Ahmedani, House said: 'Going back pre-Goodwin, Zee was a partner in the investment funds group of White & Case in California, London and Abu Dhabi for a decade. In that role he was co-head of the corporate department in Abu Dhabi and head of the investment funds practice in London. He'd spent a fair bit of time in those roles in Asia before he relocated to Los Angeles. Two things out of that. One is he was actually very well known to a number of our technology partners who have joined us in the US but he's also got deep international experience which plays to our network.'

On the continent, Madrid has been the key battleground for global heavyweights in recent weeks. The flurry of activity began at Latham & Watkins, which hired Linklaters senior partner and *Legal 500* Hall of Famer Alejandro Ortiz into its M&A practice. The Magic Circle stalwart responded a week later by bringing in Latham's Sebastián Albella, a former chairman of the Spanish Securities and Exchange Commission.

White & Case has also been targeting the city, launching its commercial litigation practice with the hire of Francisco Málaga from Linklaters. Málaga's addition follows the recruitment of debt finance partner Jaime Rossi from Herbert Smith Freehills in September.

White & Case executive committee member Oliver Brettle told *Legal Business*: 'We have been looking at Madrid for a while. The office has been doing very well, but we'd had some client feedback that we weren't significant enough in the market to be able to generate self-standing instructions. So, we decided to build out on the M&A front and you have seen announcements about that. We decided to build out on the litigation front and you have seen this week that we were joined by a partner from Linklaters in Madrid, a very senior litigator with a standout reputation in the market. We're confident that that will enable us to win the sorts of mandates which will play to the strengths of the global firm.'

'One of the commitments that we made to partners that have joined us in the US on the transactional side was to continue to build out our financial strength in the US, particularly to support our private capital plans here, but also globally.' Tim House, Allen & Overy

Finally, King & Spalding continued its European expansion expedition in recent weeks with a flurry of lateral arrivals. Project finance specialist Fernand Arsanios and employment lawyer Alice Mony Decroix joined as partners in Paris in September from Reed Smith and Bredin Prat respectively. The firm then strengthened its London team in October with the addition of private equity partners Amit Kataria from Morrison & Foerster and Paul Barron, a rare departure from Scottish corporate firm Dickson Minto.

Speaking to *Legal Business*, King & Spalding's head of corporate, finance and investments Todd Holleman, said: 'This is an ongoing strategy, so we expect more quality hires to come. We're keen on further investment in areas such as private equity, finance and tax, among others. Likewise, the focus often goes on the partners but we're also bringing on board counsel and associates. We're keen to have strong growth across the ranks.' ■

Stick or twist? City firms battle it out in NQ salary brinkmanship after Allen & Overy freezes rates

tom.baker@legalease.co.uk
@TomBakerLB

The war for junior talent at the top end of London's legal market entered a new phase of brinkmanship this year, as firms jostled for position after Allen & Overy (A&O)'s decision to freeze its associate rates.

A&O froze its newly-qualified (NQ) salaries in late June, citing a 'more challenging business environment'. The firm typically reviews pay later in the year, but A&O decided to bring the decision forward.

A firm spokesperson said: 'After careful consideration and consultation we have decided not to increase the London NQ salary at this time. It was last increased in November 2021, to £107,500. This is a prudent decision based on a number of factors, including the more challenging business environment. We will keep the situation under review.'

A&O currently matches Linklaters' £107,500 NQ salary, with both firms at the bottom end of the Magic Circle's remuneration. Clifford Chance (CC), on the other hand, announced in May that it would be hiking its NQ pay by 16% to £125,000 to match that of Freshfields Bruckhaus Deringer. Slaughter and May meanwhile is remunerating its novice lawyers to the tune of £115,000.

However, A&O's managing partner Gareth Price played down the idea of the firm sending a message to the market around financial prudence: 'You need to look at the financial year and remember it's not all even – we started to see a softening of the market towards the end of the year. These salary decisions are made by looking forwards, not backwards. It isn't born purely out of principle – we aren't trying to be the Bank of England!'

According to data gathered by Simon Marshall at TBD Marketing, A&O may have been emboldened by the fact that it receives the most applications per job of all the Magic Circle firms. Likewise, the firm has grown by 317 people in the first half of this year – equivalent to adding a Winckworth Sherwood-sized firm to its ranks. As of June it was only 89 employees away from matching CC's overall staff headcount.

Marshall commented: 'A&O is calling the market here by refusing to budge on NQ salaries. They're having to balance a load of things at the same time: the possibility that US firms will ramp up again and attract more of their talent, the fact that in-housers have had enough of NQ rates spiralling upwards, its own pipeline and the broader macroeconomic picture.

'Its first-mover advantage is that it can always change its mind later, of course. In years gone by, we'd see Linklaters move first on something like this, so it's refreshing to see A&O take the reins.'

For its part, Linklaters similarly decided to temper salary expectations early doors. In an internal email that was seen by *Legal Cheek*, it said it did not 'believe that the right course of action is to rush into matching salaries at NQ level without properly considering the impact of any changes and the wider economic context.'

Linklaters further sought to justify its position by saying: 'A significantly higher proportion of our eligible lawyers received a bonus last year compared to most of our competitors.'

'There's intense competition for talent in the international legal sector. We took steps to make sure our remuneration was competitive.' Justin D'Agostino, Herbert Smith Freehills

'These salary decisions are made by looking forwards, not backwards. It isn't born purely out of principle – we aren't trying to be the Bank of England!'
Gareth Price, Allen & Overy

The competition for talent heated up considerably just a day later, as Herbert Smith Freehills (HSF) announced an eye-catching 14% uptick in NQ pay from £105,000 to £120,000. It included scope for further pay-outs, as the £120,000 rate does not include bonuses.

The timing of HSF's move, one day after A&O's announcement, suggested that firms nipping at the heels of the Magic Circle had spotted an opportunity in the war for talent. Justin D'Agostino, HSF's chief executive, was bullish: 'There's intense competition for talent in the international legal sector. We took steps to make sure our remuneration was competitive. We are making investments very deliberately – the firm is ambitious.'

This idea was solidified in early August, when Norton Rose Fulbright (NRF) increased its base NQ rates from £95,000 to £105,000, an 11% uptick. NRF's junior lawyers have the potential to earn between £118,125 and £147,000 when including performance bonuses, which would comfortably eclipse A&O's base rate. Both NRF and HSF have also raised salaries throughout their UK associate pay scale.

In response to the cost-of-living crisis, NRF also pledged to increase salaries by at least 5%, up to a maximum 10%, for all UK full-time employees who earn under £48,000.

Similarly, mid-tier firms Fieldfisher, Osborne Clarke (OC) and Kennedys took the opportunity to up their rates throughout August and September. Fieldfisher boosted its NQ pay packet by 8%, from £85,000 to £92,000, but the big hikes were made by OC and Kennedys. The former increased its NQ rate for its Reading office by 25%, from £65,000 to £81,000, while the latter raised its rates by a stand-out 60%, from £50,000 to £80,000.

In any case, the top end Magic Circle base rate of £125,000 pales in comparison to the eye-watering sums touted by US firms this year. Among the highest-paying firms, Gibson Dunn offers £161,700, Goodwin pays £161,500, while both Davis Polk and Fried Frank pay their junior lawyers £160,000.

Akin Gump tops the list, having announced a new rate of £164,000 in April. This was increased to a whopping £179,000 in July however, when the firm adopted a more favourable conversion rate for the London office of £1 = US$1.2005.

In September, when the pound plummeted shortly after Liz Truss (who resigned as *LB* went to press on 20 October) became UK prime minister, Akin Gump implemented a cap on its exchange rate to avoid having to pay its NQs in excess of £200,000.

In July, Baker McKenzie opted for a more modest hike from £105,000 to £110,000, nudging ahead of A&O. The firm did stipulate that all fee-earners are eligible for discretionary performance bonuses, meaning the total payout for NQs has the potential to grow further.

Baker McKenzie's London managing partner, Ed Poulton, commented: 'At Baker McKenzie, we believe in rewarding in a fair, consistent and competitive manner. The attraction, retention and development of our people is key to the success of our firm and is at the heart of our strategy.'

Given A&O's reluctance to fuel the pay war, coupled with the ambitious moves made by the firms in the chasing pack, all eyes will be on the rest of the Magic Circle to see whether they stick or twist in their NQ remuneration strategy. Though even with healthy increases in NQ pay among the UK's elite firms, the gap between the Magic Circle and the American firms dominating London is set to remain wide.

David Pollitt, managing partner of DAC Beachcroft, described the pay increases as 'crazy', adding: 'NQ rates are a bit of a red herring because for every firm that balloons its rates, the bands above get concertinaed up continuously.'

Absent from current discussion is the resulting impact such spiralling rates will have on charge-out fees. The mood among in-house counsel is sour, particularly as general counsel contemplate having to foot the bill for such extortionately-priced juniors.

Concludes one in-house leader: 'There will come a point where clients will become frustrated with the fees, but that point hasn't come yet. Law firms are having a phenomenally successful time (if the measure of success is money) but what's the longer-term impact on the relationship if those fees do continue to grow to pay newly qualifieds higher salaries than some of the GCs they're probably working with?' ■

‘Never say never’: KPMG legal chief Nick Roome on law firm buyouts and supercharging lateral recruitment

At a watershed moment in the Big Four’s protracted entrance into the UK legal market, KPMG’s head of legal remains bullish about making a big impact

tom.baker@legalease.co.uk
@TomBakerLB

A provocative 2017 *Legal Business* cover, featuring EY’s UK legal head Philip Goodstone, questioned: ‘Big Four, Big Threat?’ At the time it felt like a pressing question. These days it feels more rhetorical.

Canvassing management of traditional law firm partnerships today, you would be forgiven for thinking the case is closed. The line goes that, for all the fanfare surrounding them, the Big Four’s assault on the market has largely failed. There is less of the worry about losing ground, and even a hint of condescension.

Says Addleshaw Goddard’s managing partner John Joyce: ‘Their move into legal has delivered them a lot less than they expected. Accountancy is such a different mindset – I don’t think accountants can run a law firm. I don’t think the people they attract are ever going to deliver.’

While neither PwC, Deloitte, EY nor KPMG have truly stormed the market in the ensuing years, it would be naïve to dismiss them as a threat this early. In February 2021, Deloitte, a relative latecomer to the legal market, set about achieving a rapid scale-up by acquiring specialist tech and media firm Kemp Little. The move gave Deloitte 29 new partners and doubled its lawyer headcount to 170.

And news this year of EY voting to demerge its audit and consultancy businesses has caused quite a stir, with many law firm leaders viewing it as a precursor to a substantive buyout of a traditional practice. Sebastian Prichard Jones, senior partner of Macfarlanes, is cautious: ‘If they were to split off their audit function and become independent professional consultants, that would be a time of danger. If they manage to do a buyout successfully you could see a multi-disciplinary practice that could start edging into our area. God willing that doesn’t happen.’

KPMG’s UK head of legal, Nick Roome, is clear that the competition is very much still on. ‘We

Big Four: **Previously considered a huge threat to law firms, the Big Four’s assault on the market is viewed by many to have failed**

wouldn’t be experiencing the success we are if the formula didn’t work. Last year we grew revenue by 36%. We’re a month away from our current financial year end and we will probably be up by more than 30% again this year.’

While KPMG is coy on publicly disclosing figures for specific business lines, it is safe to assume that UK legal revenue is significantly up on the more than £12m reported in 2017. Headcount growth has been pacey too, with the number of lawyers nearly doubling in five years, from 100 in 2017 to close to 200 now.

Clear economic headwinds notwithstanding, there is intent to keep up the momentum. Even the most confident of law firm leaders would have sat up and taken note at ambitious plans unveiled in May – KPMG announcing a £300m investment programme designed to supercharge growth. As such, Roome says he ‘has a mandate’ to hire over 200 new lawyers and nearly triple KPMG’s partner headcount, from 35 to 90, by 2024. Perhaps more ominously for law firm management, Roome notes that the expansion would be achieved ‘mostly by lateral hiring.’

For now, anecdotally at least, law firm leaders are largely unfazed by recruitment competition from accountancy firms. In fact, several managing partners speak of the market going the other way. Karl Jansen, managing partner of Freeths, says: ‘I certainly wouldn’t class them [the Big Four] as a competitor. We also haven’t seen recruitment competition from them. In fact, we’ve recruited people from them. Based on our experience, some people have gone there with a particular vision but it wasn’t what they imagined.’

More than a few commentators muttered of ‘internal politics’ being rife at accountancy firms while some question the Big Four’s ability to bring in quality laterals who can effectively collaborate with an accountancy firm’s one-stop-shop, cross-selling model.

Roome is unconcerned: ‘We integrate our lawyers quite widely with the wider firm, because clients will approach us when we are one part of a complex solution. They get to look beyond their natural swim lanes which gives them a better business context, and as a result makes them more rounded lawyers.

‘All of our lawyers work on an integrated basis – if you come to KPMG and don’t integrate with the business you are kind of missing the point.’

However, KPMG’s list of hires from the last year (notwithstanding eight partner promotions) is slim. The last senior legal recruit to be announced with any fanfare was ex-Baker McKenzie partner Richard Needham, who joined KPMG Law’s business reorganisation team in October 2021. In November 2021, KPMG did hire Tracey Brady from investment trust The Law Debenture Corporation, however Brady became a partner in a company secretarial capacity and is predominantly a governance professional.

Before that, there was the double appointment in March 2021 of former Herbert Smith Freehills corporate senior associate Rich Woods and ex-Lloyds Banking Group head of legal and regulatory change, Justine Sacarello. Promising additions, but certainly not evidence of a hiring onslaught.

‘When we do senior lateral hires, if they bring a book of business that’s great but we are not short of clients. We have thousands.’

Nick Roome, KPMG

Perhaps just as telling was the dearth of senior legal departures to UK law firms from KPMG – the last of note being that of immigration senior solicitor Denise Osterwald to Gherson in April this year. Prior to that, corporate M&A director Bradley Quin departed KPMG Law’s team in the Midlands for Lodders in November 2021.

But is Roome looking for something different from your regular law firm management? He says: ‘When we do senior lateral hires, if they bring a book of business that’s great but we are not short of clients. We have thousands. We are more interested in making sure they have the right attitude, entrepreneurial spirit and the ability to integrate effectively. We’ve had lots of lateral hires who have done well.’

That is not to say that KPMG, and its accountancy firm peers, do not have to worry about competition. As Roome notes: ‘We are not insulated from the junior talent wars at all – we have to try to position ourselves at the right end of the equation. At a senior level, we have a lot of success because our proposition is different. If you have spent your entire career in a classic law firm environment and you are ready for a change, we are a good option. We always hear: “I’m not interested in moving to another law firm.” We’re a different platform with different client bases – there’s not much client acquisition involved, and we have a different way of working.’

Work highlights have seen KPMG Law ranked a respectable tier two in *The Legal 500*’s tax litigation and investigations section. A representative mandate from the last year saw KPMG advise HSBC on a novel VAT dispute with HMRC about whether UK branches of non-UK incorporated global service centre entities are entitled to be in HSBC’s VAT group. As an endorsement of Leedham’s hire, his business reorganisation practice is also ranked tier two, with a standout matter being KPMG’s assistance of JERA Trading on a global restructuring involving a separation of its financial and physical trading business, with complex regulatory issues.

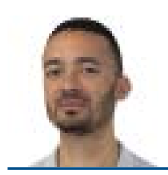
Otherwise, KPMG is ranked in the lower tiers in several regional corporate and commercial niches, as well as placed tier four in the IT and telecoms subsector. On such evidence, the accountancy firm is not threatening the more sophisticated end of the traditional UK legal market yet.

Are any of the *LB100* firms feeling under threat of a buyout? If the approach did happen, it is hard to see which firm would accept being swallowed by a multidisciplinary behemoth rife with conflicts. The mood music among law firm leaders is that most firms of suitable size for a Big Four acquisition would reject an advance due to fierce independence.

Roome is not looking to rush into anything: ‘Never say never on a buyout, but we do see a lot of complexity with trying to transact something like that. There’s a big risk that we get more of what we don’t want out of it than what we actually want. We don’t want to be full service – we’re not interested in having a strong commercial litigation practice, for example. Tax litigation yes, but commercial litigation just leads to conflicts for us.’

While many pundits are understandably nervous about the next 12 months, Roome is bullish: ‘I look at our current deals and I am not seeing any drop off, the pipeline looks strong. Because of the size of KPMG I’ve got a number of different reference points to get a better feel. The deal advisory practice is facing a book of business at the moment which is bigger this year than last year, and that’s coming off one of the busiest deal periods they have ever experienced.’ ■

Partner promotions: Kirkland unveils largest ever class as US firms reveal 2022 cohorts



charles.avery@legalease.co.uk
@CharlesAveryLB

The first wave of US firms has announced their latest round of partner promotions, as Kirkland & Ellis, White & Case, Goodwin, Morgan Lewis and Covington & Burling revealed their classes of 2022.

Kirkland & Ellis has minted 193 lawyers in a new record for the expansive juggernaut, following the 151-strong round announced last year and the 145 promotions unveiled in 2020.

Of this year's class, more than 80% are based in the US, reflecting the continued importance of the American market to the world's highest-grossing law firm. Of the US contingent, 44 operate from the firm's Chicago headquarters, while 39 are based in New York.

Unsurprisingly given Kirkland's reputation, M&A and private equity was the most prevalent practice area for the promotions, with 44 lawyers made up in the group. The investment funds practice saw 32 lawyers elevated, while litigation (27), debt finance (19) and intellectual property disputes (16) also saw substantive investments.

The strategic importance of London continued to be evident as 26 lawyers were promoted in the City, more than any other region outside the US. The UK contingent is made up of seven M&A lawyers, four for investment funds, three apiece for competition and IP litigation, two in general litigation and one each in tech transactions, ESG, tax, debt finance, capital markets, financial services regulation and restructuring.

The firm's supersized promotion round is in part due to its atypical strategy of promoting a high number of salaried partners, while keeping equity closely guarded, until the star performers among them have earned their stripes.

'Our newest partners are an immensely talented group who have demonstrated dedication to our clients by excelling at high-stakes litigation and dispute resolution.' Rob Insolia, Goodwin

Operating a fast-track model, the firm shortened the track on which associates can reach salaried partner level from six to five years in 2021.

Meanwhile, White & Case unveiled its latest cohort, featuring 46 new partners. Taking effect from 1 January 2023, the new class includes 24 female lawyers and new partners in 19 of the firm's 44 offices.

Ten of the latest round are based in London, taking the number of partners made up in the City to 49 over the last five years. In total, 54% are based in EMEA, compared to 35% in the Americas and 11% in Asia-Pacific. Practice area-wise, M&A was the most invested specialism, accounting for 18 of the new partners, followed by project finance (eight) and international arbitration (five).

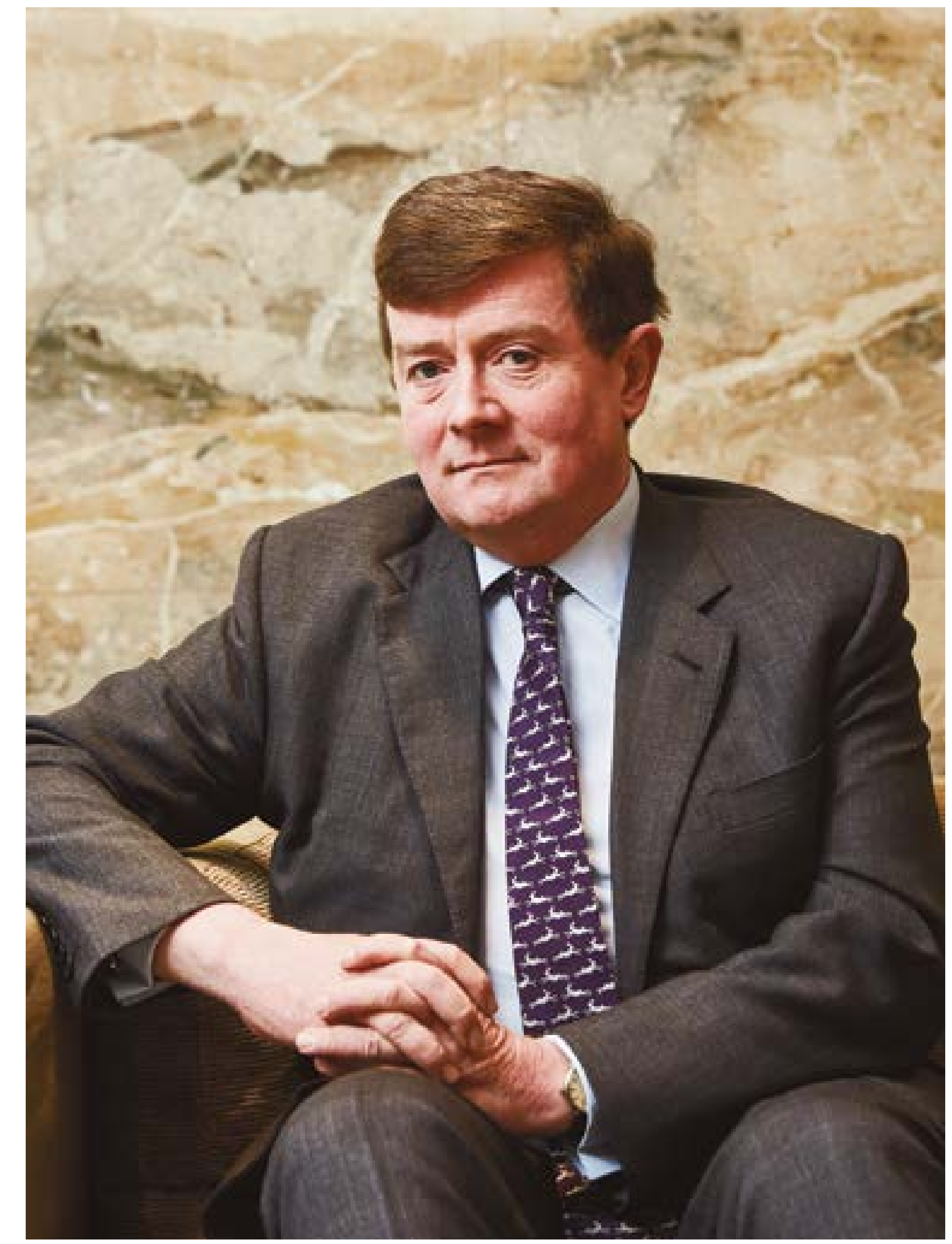
Speaking to *Legal Business*, White & Case executive committee member Oliver Brettle expands on the firm's strategy: 'You can't just look at promoting to partnership as being a short-term measure. Partnership is intended to be a promotion for that person's career. I've been a partner at a law firm for 21 years, and in that time, I have seen practices which have been up and practices which have been down. What you need to do is make sure you are promoting and recruiting the right people in the right places.

'You can't just make every single person partner who is worthy, because you must have, with every partnership promotion, satisfaction of two dimensions. First of all, the micro. Is the individual candidate up to it, is there sufficient work in that practice to sustain another partner. The other factor is the macro. The global economic position and the overall economic position of the firm and even the overall economic position of the firm in that region. We don't just say: "There are only 20 slots this year."'

On this year's round specifically, Brettle adds: '54% of the total are in our US offices and in London, which reflects a trend that we've been seeing for a few years at White & Case, reflecting the firm's focus there. I would also note the wide range of locations, different practices, reflecting the diversity of the firm. That is part and parcel of what White & Case is all about. Our global reach and global strength are the things which the clients really appreciate and expect from us.'

Elsewhere, Goodwin has announced its largest ever promotions round. This year's 58-strong group outstrips the 40 partners made up last year and includes seven UK lawyers – six in London and one in Cambridge. The promotions coincided with the firm unveiling its new Singapore office, though none of the newly minted partners are to be based in the region.

'You can't just look at promoting to partnership as being a short-term measure. Partnership is intended to be a promotion for that person's career.'
Oliver Brettle, White & Case



Goodwin chair, Rob Insolia, says: 'Our newest partners are an immensely talented group who have demonstrated dedication to our clients by excelling at high-stakes litigation and dispute resolution, providing world class regulatory and advisory services, and executing complex transactions globally across our clients' industries of focus and at the intersection of capital and innovation.'

Morgan Lewis has also revealed its latest promotion round, comprising 47 lawyers across 14 offices. There are seven more promotions than last year, with three new partners in London – investment management lawyer Steven Lightstone, litigator Paul Mesquitta and antitrust and competition specialist Leonidas Theodosiou.

Finally, Covington & Burling has promoted 15 lawyers to partner. The 2022 class, eight of whom are women, spans Dubai, London, Los Angeles, Palo Alto, San Francisco and Washington and features lawyers with specialisms in commercial disputes, life sciences, capital markets and intellectual property. Four of the group are based in London – renewable energy specialist Ursula Owczarkowski, former scientist and life science lawyer Winsome Cheung, commercial litigator Monique O'Donoghue and Sinead McLaughlin, who focuses on crisis management and class actions. ■

Claire Holdsworth

Marathon Asset Management

Claire Holdsworth, GC of Marathon Asset Management, discusses her unusual journey into law, record-breaking motorbike meets and operating in a man's world

'Frankly, what's a boardroom compared to a regiment of soldiers?!' Claire Holdsworth is philosophical about her journey from army officer to motorbike-riding GC of Marathon Asset Management.

Some say getting your foot in the door of a top law firm is often the hardest part for aspiring lawyers, but Holdsworth's journey to her training contract interview definitely casts that sentiment in a whole new light.

'I was serving in Bosnia at the time. I had to get an armoured convoy out of Bosnia to Croatia, then get onto a military aircraft to fly me to RAF Brize Norton, then get transport from there to London,' recalls Holdsworth.

'I walked into the interview at Hogan Lovells and one of the partners that interviewed me started to ask about what was happening in the press. I had to say: 'I'm sorry – I've not read a newspaper for months.''

Holdsworth was nearly ten years into her army career when she started to consider her next steps. She had studied a BA in languages and the possibility of a legal career had never been on her radar. However, ambitious and unfazed by the challenge, she decided to give it a go. After all, she'd served in the Gulf War, in Northern Ireland during the conflicts and in the Bosnian War – how hard could it be?

'I literally just got the books and taught myself law, which was quite challenging. It was in the days when you didn't really have distance learning as such, it was just big books through the post. I actually took my exams aboard a ship in Croatia when I was about to deploy to Bosnia with the army education training services invigilating.'

'I literally just got the books and taught myself law… I actually took my exams aboard a ship in Croatia when I was about to deploy to Bosnia with the army education training services invigilating.'

Characteristically unassuming about her efforts, Holdsworth jokes that she was only offered the training contract at Hogan Lovells because she was 'a bit different'. Though she still recognises the benefits of her previous experience: 'I've realised that the legal profession is a great one to come into, no matter what your previous background. If anything, it's helpful to have had a different career. Being in the army has really helped me – I have never been fazed by any boardroom.'

Not long after training at Hogan Lovells, she was drawn to working in-house during a secondment to Barclays. An early move to the client side saw her joining investment group Credit Lyonnais Securities in 2002, before moving to Odey Asset Management in 2004.

During her time at Odey she came into her own, crediting her experience there with teaching her how to be a good in-house lawyer: 'The legal side is only one part of it – it's the ability to know the business really well, learn about the business – and then find solutions to make things happen.'

She offers wisdom for lawyers both in private practice and in-house: 'One thing I've learnt is if you've got something to say, say it quickly. I just write bullet points so it's quick, sharp and easy to read, rather than the long letters of reply that people fall asleep over.'

At the hedge fund, run by eccentric former City banker Crispin Odey, she learned the value of building networks of trusted external legal advisers to assist with unfamiliar or sensitive questions. During her 17 years, she's handled it all, from a high-profile #MeToo accusation against Odey to opening international offices in New York, Geneva and Guernsey, to utterly niche issues: 'I once had to get a gaming license in some state in America because our firm had bought shares in a gaming company and there was a quirky law that meant you couldn't own shares unless you had one. I remember thinking: 'Where do I go for this advice?' There I was in the middle of the night, getting a phone call from a US gaming law expert, who I had never met but who I was put in touch with through the network of law firms I had got to know.'

Since joining Marathon Asset Management in August 2021, she works as part of a lean team of six and continues to benefit from working with some trusted law firm partners. The type of work that goes to external advisers includes specialist advice on funds work and jurisdiction-dependent employment queries: 'I see a GC as a GP. You know a little bit about everything, but when it comes to getting real expert advice, you go to a law firm.'

At a glance
Claire Holdsworth

Career

1989-98	Army officer, British Army
1999-2002	Solicitor, Hogan Lovells
2002-04	Securities and derivatives lawyer, Credit Lyonnais Securities
2004-21	General counsel, Odey Asset Management
2021-present	General counsel, Marathon Asset Management

Marathon Asset Management – key facts

Size of team Six
External legal spend Between £500k and £2m
Preferred legal advisers
Simmons & Simmons; Maples Group (Cayman); Travers Smith

Like most GCs, she faces the age-old problem of costs, a challenge only exacerbated by current salary inflation: 'It's difficult for law firms as their business model means it is not in their interest to give you quick, cheap advice, but we're more likely to use the firm if it models itself on that approach. Otherwise, we're frightened to pick up the phone in case the clock starts ticking.'

Another challenge for asset managers like Marathon is the elevated importance of responsible investing and other ESG considerations. Says Holdsworth: 'Those are very different factors to consider now and, inevitably, in the next few decades versus what we were being asked by clients 30 years ago. Back then, it was very much – 'well, how are you going to make money for me? How are you going to invest my pension?' They weren't focusing on what your firm was doing about these ESG issues. That's the big shift and it's happening quickly.'

She is also seeing developments around diversity: 'The financial services sector is much slower to make changes [than the legal sector], but it's suddenly becoming more of a focal point because clients who are investing with financial institutions are demanding it. They're saying: 'Well, I can choose who I want to put my money with, and I want to choose a firm that is doing well in this area.'

'There is change afoot. We've just appointed the first female board member in the 35-year history of the firm. The opportunities are there, not just for women, but for improving diversity in general.'

And Holdsworth is no stranger to operating in a male-dominated industry: 'When I was in the army, I was the only woman in my regiment of 800 or 900 men. Financial services is male-dominated, particularly at the higher and executive levels. It's not an easy place to be as a woman, particularly when you have children and other family commitments. It's incumbent on all of us to do something personally about it.

'There's still a long way to go in terms of recognising that women, when they do have to take a career break to have children, still have a huge role to play. I found that very difficult. I have two children. For the first, I took six months off and the second, only four months. Even then, I still pretty much had to be available.'

'Financial services is male-dominated, particularly at the higher and executive levels. It's not an easy place to be as a woman, particularly when you have children and other family commitments.'

Sharing a stage with Hillary Clinton at a recent seminar where they were both keynote speakers has been a career highlight. Holdsworth spoke on diversity and inclusion in the workplace and Clinton on women's rights. For her part, Holdsworth intends to continue to use her position to elevate others: 'I want to be able to retire knowing that I've made a little bit of a difference, even if it's only a little bit. Because, if we all do a little bit, that will create a lot.'

Aside from driving diversity in the workplace, Holdsworth also takes a keen interest in motorbikes. With a road bike as her main mode of transport, she recently took part in the world's largest female biker meet.

Always quick to defy stereotypes, she quips: 'I like shocking people when I turn up to meetings on a motorbike – people always assume you're on a scooter and I get to go: 'No, really, it's an 865cc!'

megan.mayers@legalease.co.uk
@meganmayersLB

Robbie McLaren

Words: Charles Avery; Portrait: Juan Trujillo

University in my family was always something vocational. I hated science, so that was doctor and vet out the way. I did an accounting internship and found that just a bit dull. That really left law. That was basically it.

Studying law at university was awful. I enjoyed arts subjects at school, history and geography. I quickly realised that, when you're studying at school, you're rewarded for creativity. Studying law, you're not. The first couple of years were just the building blocks of the legal system and it was very much – 'this is what the rules are, you need to know them and apply them to the facts'. Overall, I'd give it a six out of ten, but the first two years were more like a three out of ten.

The only thing that piqued my curiosity about being a lawyer was that my dad had a signed confession from William Burke, who in the 19th century would kill people and then sell the bodies for medical and anatomical study. There was a whole thing about the confession being signed in front of judges and then he got trotted off to the gallows. I thought: 'Wow, they actually let people commit themselves to death.' It still hangs in my office at home. My wife just hates the thing because she thinks it's so incredibly ghoulish.

I really wanted to be an advocate, which is the barrister equivalent in Scotland. My first seat was in corporate, and I'd heard all the stories about it being really hard work, but I really enjoyed it. At that point, I'd done five years studying law, and that was easily the most enjoyable six months. Then I did a litigation seat. Part of it was incredibly fun but other parts were just diabolical. The big disputes go on for years and years. I don't have the patience for that at all!

The overseas seat from the Scottish firm was in London. It also coincided with the 2006 World Cup in Germany. I had half a mind that, if Scotland qualified, London would be closer to get to Germany. Then Scotland didn't qualify, so it was irrelevant, but I was already coming to London.

I look back now and think about all the opportunities I could have explored. I didn't know what a management consultant was, for example. When I was at university, people went on to become accountants or lawyers or doctors, or maybe they joined a graduate scheme. That seemed to be it. The whole ecosystem that existed around London was completely unknown to me.

I look back now and think about all the opportunities I could have explored. The whole ecosystem that existed around London was completely unknown to me.

I asked my kids what other jobs I could do if I weren't a lawyer. They said: 'Dad, you'd love to be a singer because you walk round the house singing along to the radio.' I said: 'Yeah, but there's a bit of a talent shortfall!'

Getting a phone call to say that I'd been made partner was a pretty good moment. I called various members of my family to tell them, but unless you've worked in accountancy or law, you don't really know what it is to be a partner. I told my dad and he said: 'Alright, what does that mean?' He's a doctor and he asked if it was like becoming a consultant. I was like: 'Yeah, I suppose so.' My sister is a lawyer and was like: 'Holy shit! That's amazing!'

I'm a naïve optimist. It all looks bleak and I'm always seeing the positive. Maybe it doesn't come out that way. I'm always driving my wife absolutely mad! My sister always brings me down a bit. In a good way, not bursting my bubble.

There's three things you need to be a successful lawyer. You need to be true to yourself, because ultimately, you'll get found out if you're pretending to be something you're not. You also need to be able to leave work at work, which I learnt from my mum. It's the single greatest skill to learn. And then you've got to be lucky. There's a big temptation for people to beat themselves up when luck doesn't come their way. Take control of what you can and the rest of it will just fall where it falls.

Everyone thinks that to be an M&A lawyer you've got to be super aggressive. It's not true at all. You can still be a fantastic negotiator by being a nice person. You don't have to be a dick about the whole thing.

I ran the corporate team with another partner for the last five years. All the way through Covid. Our leadership strategy was: 'If you've got an idea, come and tell us.' We don't have a monopoly on being right. To think that we, as partners, can plan something that only impacts associates without their contribution seems a bit bananas to me. This job is hard enough as it is. It sucks a lot out of you and takes a lot of your time. The last thing you should be doing, as somebody in leadership, is making anything more difficult.

There's three things you need to be a successful lawyer. You need to be true to yourself, you also need to be able to leave work at work, and then you've got to be lucky.

Covid was the worst time, workwise. There was so much work, and it was all the bad bits of work with none of the good bits. Any job is going to be bad in that scenario. I've always been lucky that I can take work and just stick it in a box in my head and forget about it – go and do family stuff – then come back and unpack it. Not many people can do that. People have their own coping strategies, whether it's going out and playing sport, going to the theatre or whatever. When you couldn't do that, things just cascaded on top of people.

I'm not the smartest person in the building, not by a long way. I'm clearly not stupid, but I'm not the best lawyer in our team. I'm good at a lot of the other things that you need – client relations, thinking strategically, problem solving. I hope I'm approachable, and people feel that they can come to me and ask me anything, professionally or personally.

When I was doing my litigation seat in Edinburgh, we had limited rights of audience. When I got to court I realised I'd taken a gown from a partner who was enormous – about 6'5". I put it on and it was down at my feet. The Sheriff was sniggering as I looked like I had got dressed in my dad's clothes. When I got back to the office, someone had called ahead and everyone was laughing!

I turned down a secondment to our Orange County office. I regret missing out on that. It would have been amazing, living in Southern California for six months, but I turned it down because my wife was eight months pregnant with our first kid. I think both my mum and my mother-in-law would have killed me! But I regret not having time in Southern California to become a tanned Adonis as opposed to a pasty Scotsman!

I went back to Edinburgh to give a talk to students. When I was there, being a lawyer meant going to one of the big Scottish firms. You didn't realise you could go to a Magic Circle firm, let alone a US firm. One of my personal ambitions is to make people more aware of that. Nobody needs to be deluged with Edinburgh and Glasgow graduates, but it shouldn't be just the London universities, or Oxford and Cambridge that get the first shot at all the training contracts.

I read an incredible book recently – *When Breath Becomes Air*. It was about this guy who had a PhD in English literature and then decided that he really wanted to get to know humanity and become a doctor. He became a fantastic neurosurgeon and then he got diagnosed with terminal cancer. Hearing all the strategies he put in place around empathising with patients, and seeing it from the other side, it was an amazing book.

The best TV show recently has been *Ted Lasso*. It was so unexpectedly brilliant, as it had the capacity to just be so awful. I also love a David Attenborough, of which there are gazillions.

I got asked my favourite film when I started my training contract. I said *Zoolander*. I watched it again recently and it still cracks me up! It's incredibly clever and there's some amazing cameos.

There used to be a thing about people from Scotland saying they love *Braveheart*. I didn't really like the film. It's completely cheesy. I'll probably be lynched next time I go home for saying that!

I like enjoying myself. I'm not some sort of hedonistic party person, but this job can take up so much of your time that you've got to make the most of your downtime. For me, that is spending time with my kids and my family. Other than that, it's playing sport, running around chasing balls like a dog. I'm going to sound like an absolute idiot.

Robbie McLaren is global vice chair of Latham & Watkins' healthcare and life sciences industry group and former co-chair of the London corporate department.

Chart-toppers: the elite firms dominating this year's UK *Legal 500* rankings

UK editors Georgina Stanley and Ben Wheway take a deep dive into the performance of the *Legal Business 100* firms in the most recent UK *Legal 500* research

Spotting trends across research as vast and wide-ranging as *The Legal 500* UK Solicitors isn't always straightforward. The research by *Legal Business*'s sibling title is unique in the depth and granularity with which it covers the UK market, identifying the market-leading law firms everywhere from the upper echelons of the premium private equity market in London to agriculture and estates in Scotland.

The rigour of the research means that firms of all shapes and sizes have the opportunity to shine – to be recognised for their work, client base and local reputation, whether a City boutique or a global powerhouse.

But, while the diversity of firms included in the *Legal 500* 2023 is extremely broad, the performance of the UK's largest law firms within it cannot be underestimated.

To tie in with this issue's *LB100*, we're taking a closer look at the performance of the UK's largest 100 law firms by revenue in the 2023 *Legal 500* research.

Between them, the *LB100* firms hold half of all the practice rankings in the UK guide – 4,662 of 9,419 in the 2023 research. More than half of these firms' rankings (2,448) are in London – 57% of all London rankings.

On average, *LB100* firms have 47 UK *Legal 500* rankings, and this year secured an average of almost three promotions and two new rankings each.

As highlighted in this year's *LB100* on pages 47-113, the disparity in scale between those firms in the top quartile of the *LB100* and those in the bottom 25 is vast, and the same is inevitably true of *The Legal 500* rankings.

The top 25 *LB100* firms have an average of 75 UK *Legal 500* rankings, and this year those firms secured an average of almost five promotions and two new rankings.

These averages are driven up by the largest national players, such as Pinsent Masons, DLA Piper and Eversheds Sutherland, whose extensive national networks of offices help them top the table of firms with the most UK rankings, all with more than 130 recommended practices. Inevitably, this dominance extends to individual rankings, with the trio also housing more ranked lawyers UK-wide than anyone else.

Looking at London though, a new leader emerges; with Herbert Smith Freehills (HSF)

'The *LB100* firms hold half of all the practice rankings in the UK guide. More than half of these firms' rankings (2,448) are in London.'

Georgina Stanley, *The Legal 500*

holding 75 practice rankings – five more than DLA Piper in second place, while Pinsent Masons, Hogan Lovells, CMS and Norton Rose are not far behind, with each holding at least 65.

But what about those coveted top-tier rankings? Here, Clifford Chance (CC) leads the pack in London, with 33 tier one rankings, narrowly ahead of HSF and Allen & Overy (A&O), which each have 31 top-ranked practices in the City, edging them ahead of Linklaters (27) and CMS (26).

These same firms also fare well in the charts for most ranked individuals. Stripping out national firms here for a fairer comparison, CC, HSF, A&O and Linklaters lead the pack, with more than 150 ranked individuals apiece.

Analysis of the UK rankings also demonstrates just how entrenched US and international firms have become in the London market. While the international firm with the most London rankings is global player Baker McKenzie and the next three highest scoring firms are all the product of transatlantic mergers (Dentons, Mayer Brown and Reed Smith), US-headquartered firms are making their weight felt in London across multiple practices. White & Case and Latham & Watkins each have close to 40 London rankings – a tally that puts them not far behind City stalwarts Bird & Bird and Macfarlanes. Meanwhile Paul Hastings, Morgan Lewis and Sidley are all on more than 20.

Bakers also leads the way for top-tier London rankings with 16, but Dentons, White & Case, Latham, Reed Smith and Kirkland all have at least six tier one practice rankings apiece, which puts them not far behind the likes of Addleshaw Goddard and Clyde & Co, and narrowly ahead of firms such as Macfarlanes and Taylor Wessing.

These tallies are all the more significant when you look at the practice spread, as US firms are generally ranked across a narrower range of areas.

Fifty percent of the top 25 US firms' rankings are across corporate and commercial and finance, significantly higher than the equivalent figures for the top 25 firms in the *LB100* – 16% for corporate & commercial and 13% for finance. The largest proportion of the *LB* top 25 firms' rankings (19%) is in real estate, compared with 12% for the largest US firms.

In total, the UK *Legal 500* includes 1,119 ranked firms, up from 1,090 last year, with a further 295 Firm to Watch rankings. The rankings include 605 promotions, with DWF, Shoosmiths and Addleshaw Goddard securing the most promotions nationwide. It also includes nearly 500 new rankings, with Shoosmiths picking up the largest number of new rankings with nine. There are almost 11,000 individual rankings in the guide, 45% of which are leading individuals. Just over 5,000 of the individual rankings are in London.

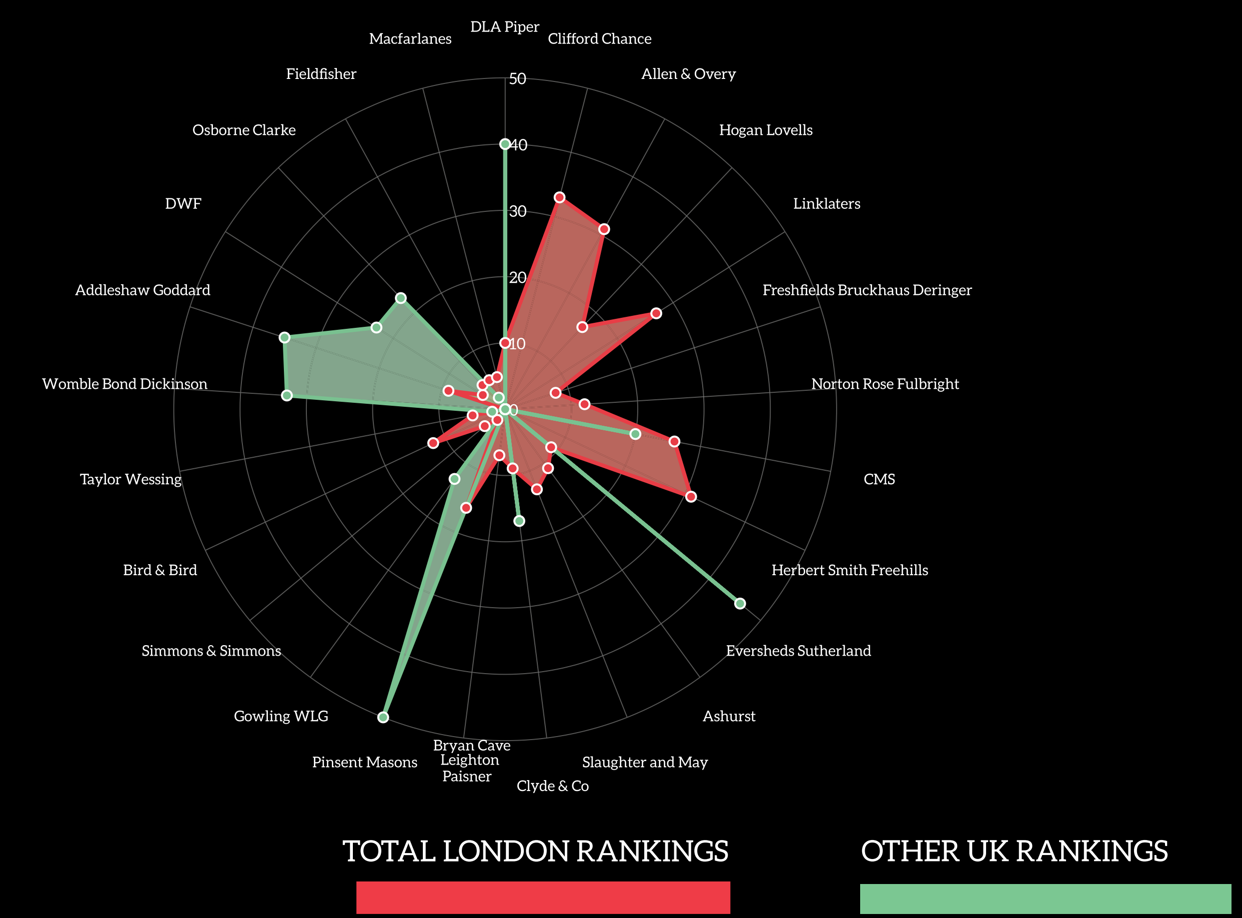
georgina.stanley@legal500.com
ben.wheway@legal500.com

The Legal 500 UK Solicitors 2023 is now available at www.legal500.com

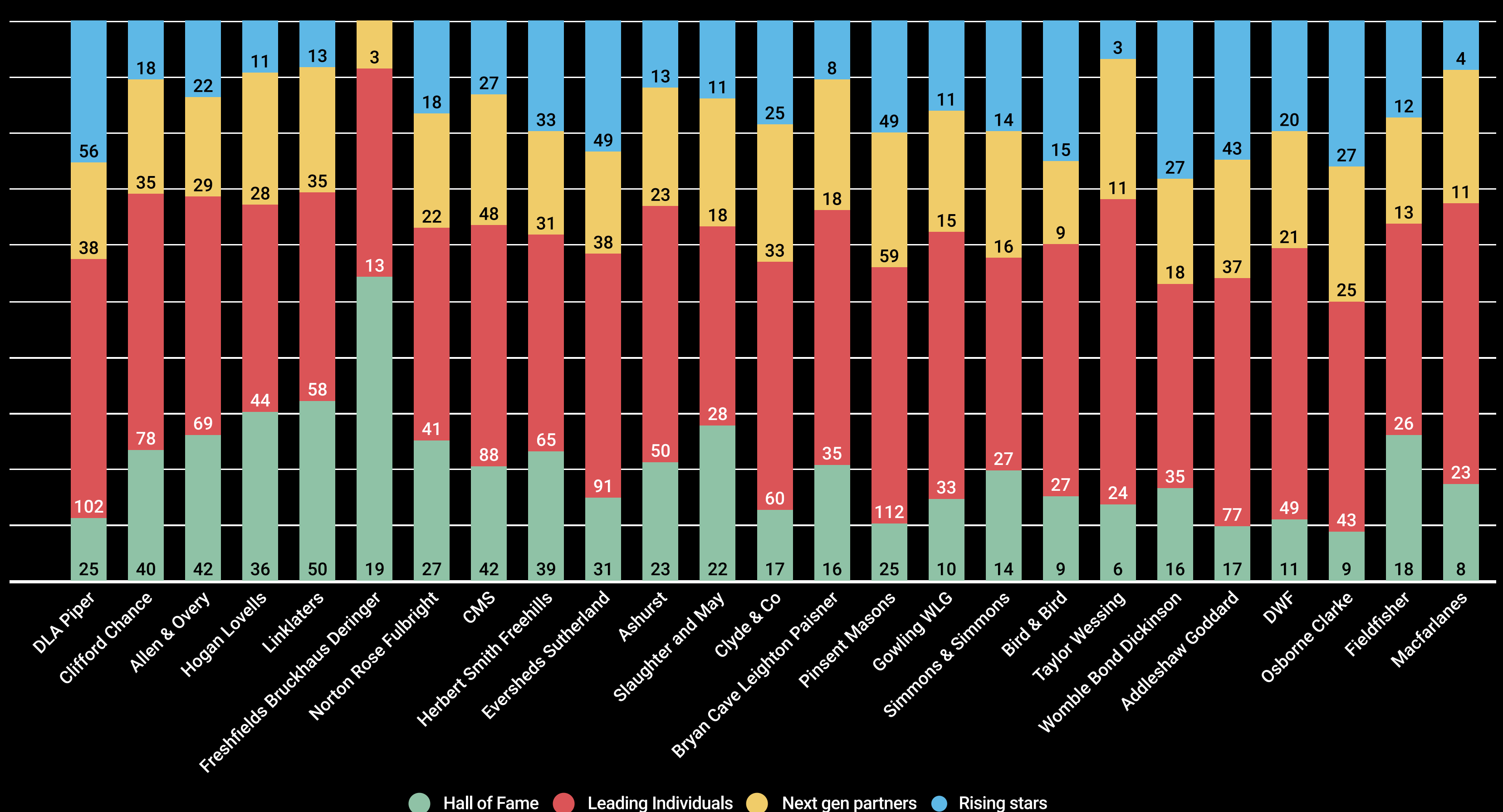
THE DATA BEHIND THE STORY LEGAL 500 DATA

LB100 TOP 25: LONDON RANKINGS AND OTHER UK RANKINGS

LB100 TOP 25: TOP TIER LONDON RANKINGS AND TOP TIER OTHER UK RANKINGS



LB100 TOP 25: RANKED INDIVIDUALS BY TYPE



MOST LONDON RANKINGS

Firm	Promotions
Herbert Smith Freehills	75
DLA Piper	70
Pinsent Masons	67
Hogan Lovells	67
CMS	65
Norton Rose Fulbright	65
Clifford Chance	63
Baker McKenzie	61
Allen & Overy	60
Eversheds Sutherland	58

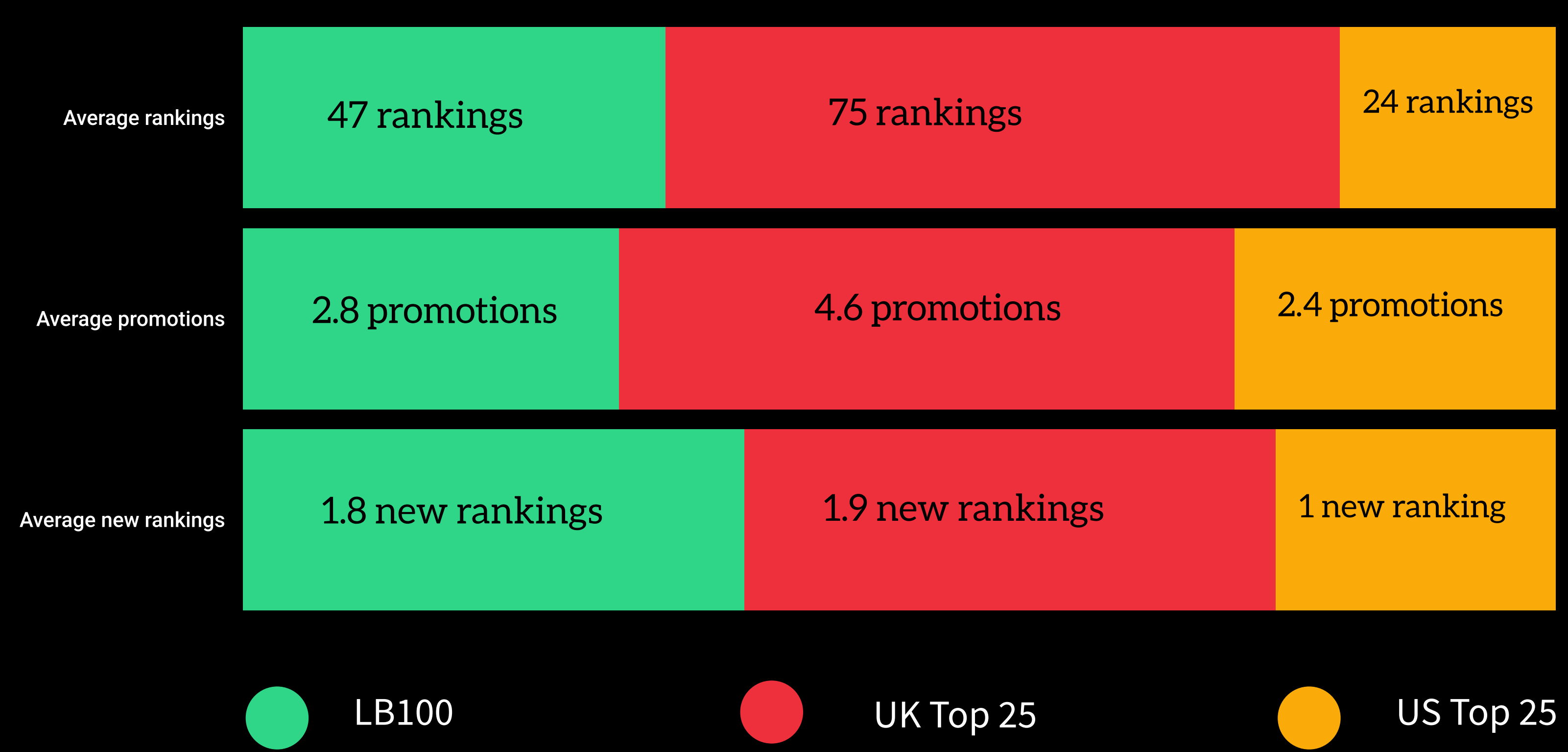
MOST TOP-TIER RANKINGS

Firm	Promotions
Pinsent Masons	66
Eversheds Sutherland	55
DLA Piper	50
CMS	46
Addleshaw Goddard	44
Clifford Chance	33
Womble Bond Dickinson	33
Herbert Smith Freehills	31
Allen & Overy	31
Osborne Clarke	28

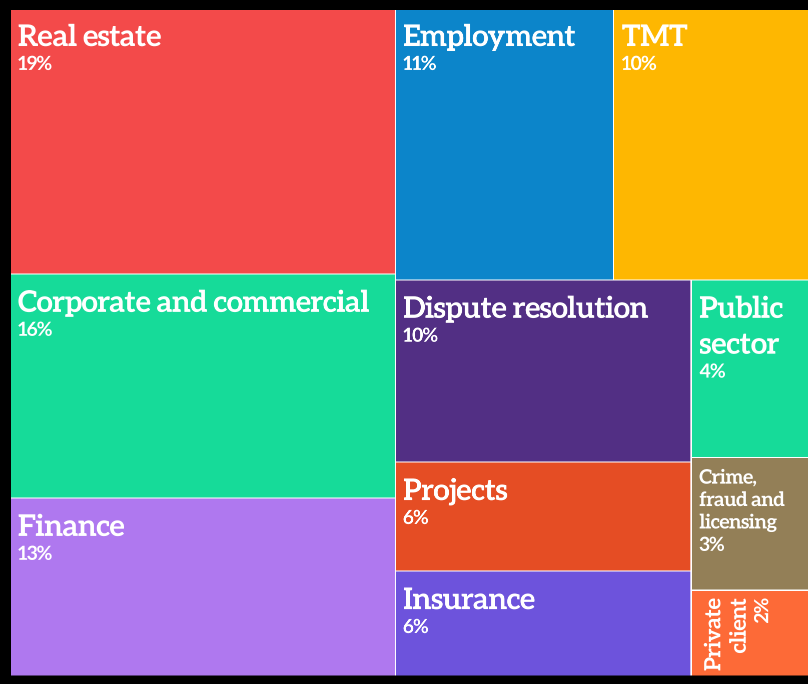
MOST RANKED INDIVIDUALS

Firm	Promotions
Pinsent Masons	245
DLA Piper	221
Eversheds Sutherland	209
CMS	205
Addleshaw Goddard	174
Clifford Chance	171
Herbert Smith Freehills	168
Allen & Overy	162
Linklaters	156
Clyde & Co	135

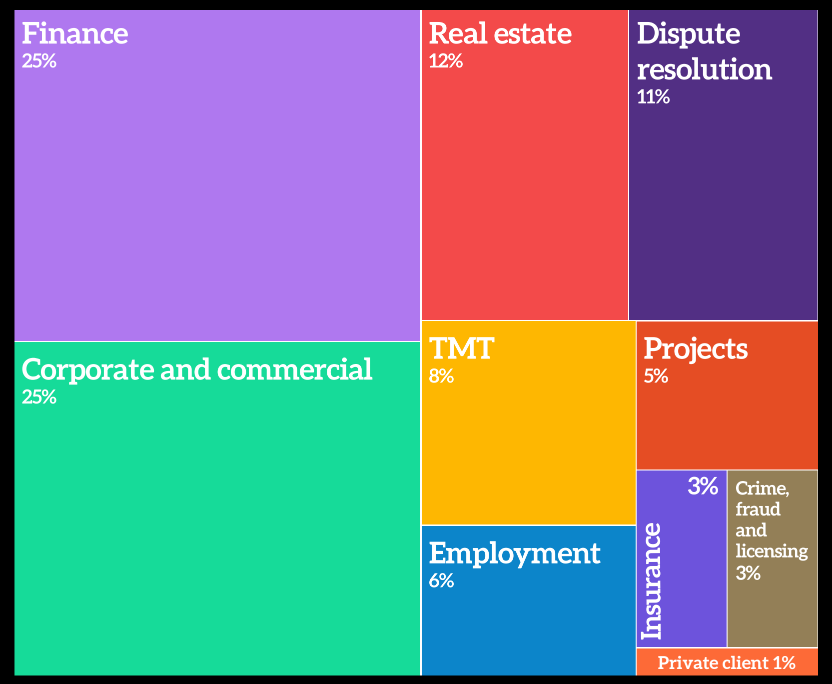
LB100 v US/UK TOP 25s



LB25 UK RANKINGS BY SECTOR



TOP 25 US FIRMS: UK RANKINGS BY SECTOR



A night to remember

Shoosmiths, Travers Smith and Coca-Cola Europacific Partners were among the major winners at the 2022 Legal Business Awards, which welcomed more than 800 guests to the Grosvenor House hotel on 27 September.

Before the Awards, in-house guests gathered for a reception to mark the launch of our annual *GC Powerlist*, with key representatives from FTSE 100 companies such as Adobe, FT and Vodafone in attendance.

Then it was over to the Great Room and time for the LB Awards, hosted by distinguished BBC presenter, news anchor and journalist Louise Minchin. The evening saw Shoosmiths emerge as the big winner, crowned Law Firm of the Year with judges particularly impressed by its stellar performance over the past couple of years, with a strong financial performance underpinned by key client wins.

Meanwhile Travers – for the second year in a row – picked up two awards, this time in the prestigious Commercial Litigation and Private Equity categories. Elsewhere, Ashurst won Corporate Team of the Year for its role managing the bidding process for Morrisons

Photographer MIRANDA PARRY

that eventually saw the supermarket taken over by CD&R, while Kirkland & Ellis won the Restructuring Team of the Year award for the second year in a row after advising NMC Healthcare, via its joint administrators, on its successful $7.6bn financial restructuring.

In the in-house categories, it was a strong performance from publisher HarperCollins, which was Highly Commended in both the In-House Team of the Year (won by Coca-Cola Europacific Partners) and GC of the Year (won by Sharon Blackman of Citi) categories. There were also wins for Gavi, the Vaccine Alliance – which won Most Transformative In-House Team of the Year – and Ndidi Ezenwa of Juven, who picked up the award for Rising Star In-House Counsel of the Year.

Elsewhere, Cooley, DLA Piper and Pinsent Masons also enjoyed successful evenings – each picking up an award and a Highly Commended mention. DLA won our inaugural ESG Programme of the Year award, while its recent work with client Pfizer saw it come runner-up in the TMT Team of the Year category; Cooley won the competitive US Firm of the Year award and was Highly Commended in Commercial Litigation; while Pinsents won the TMT category and came runner-up in the Restructuring category.

A special thanks goes to our external judging panel of prominent general counsel who selected

the winners. They are: Kate Cheetham, GC at Lloyds Banking Group; Ruwan De Soyza, group GC and company secretary at Xplor; Chris Fowler, former GC Technology at BT; Alessandro Galtieri, deputy GC at Colt; Rupert Hopley, company secretary and group GC at Informa; Angus McBride, EVP and GC at News UK; Neil Murrin, GC at Smart Pension; Nigel Paterson, GC at Dixons Carphone; Nayeem Syed, senior legal director technology procurement at London Stock Exchange Group; and Samantha Thompson, head of legal global M&A, Anglo American.

We would like to thank our various category sponsors for the Legal Business Awards, and Pinsent Masons for the *GC Powerlist*, as well as other commercial partners for making the night a success and helped to create a memorable night of celebration for everyone involved.

For further information, please refer to the Legal Business Awards supplement and website: *www.legalbusinessawards.com*

BOUTIQUE LAW FIRM OF THE YEAR
TENET COMPLIANCE & LITIGATION
For specialising in fraud and financial crime, and occupying a unique space in the market
Sponsored by Maltin PR

CHAMBERS OF THE YEAR
ESSEX COURT CHAMBERS
Crucial wins in a variety of landmark disputes at the highest level
Sponsored by Cleary Gottlieb

COMMERCIAL LITIGATION TEAM OF THE YEAR
TRAVERS SMITH
Successfully representing Hewlett-Packard companies in a claim against former executives of Autonomy
Sponsored by Essex Court Chambers

COMPETITION TEAM OF THE YEAR
FIELDFISHER
Successfully representing Achilles in a stand-alone claim against Network Rail
Sponsored by Infinite Global

CORPORATE TEAM OF THE YEAR
ASHURST
Advising WM Morrison Supermarkets on its takeover by Clayton, Dubilier & Rice
Sponsored by Cantab Asset Management

ESG PROGRAMME OF THE YEAR
DLA PIPER
Signing a pioneering corporate power purchase agreement to meet its net zero ambitions
Sponsored by Intelligent Office

FINANCE TEAM OF THE YEAR
PAUL HASTINGS
Advising on the financing for purchase by Advent International of Caldic BV
Sponsored by Cantab Asset Management

GC OF THE YEAR
SHARON BLACKMAN, CITI
Consistently representing Citi at a variety of crucial industry level committees
Sponsored by Laurence Simons

IN-HOUSE TEAM OF THE YEAR
COCA-COLA EUROPACIFIC PARTNERS
Showing initiative and drive to lead change towards the company's sustainability goals
Sponsored by Taylor Wessing

INSURANCE TEAM OF THE YEAR
EVERSHEDS SUTHERLAND
Advising Aon on the acquisition of actuarial software platform Tyche
Sponsored by Fry & Brown

INTERNATIONAL ARBITRATION TEAM OF THE YEAR
VINSON & ELKINS
Representing Fluor against Sadara Chemical Company in a dispute over a project in Saudi Arabia
Sponsored by 3VB

INTERNATIONAL FIRM OF THE YEAR
ADVANT
Launching an ambitious full-service European law firm association in France, Germany and Italy
Sponsored by Taylor Root

LAW FIRM OF THE YEAR
SHOOSMITHS
For an outstanding couple of years, including a host of client wins and eye-catching financial results
Sponsored by Investec

LAWYER OF THE YEAR
SIMON MAYNARD, KING & SPALDING
Being a critical voice for disability inclusion in the legal profession
Sponsored by Kılınç Law & Consulting

LEGAL TECHNOLOGY TEAM OF THE YEAR
SQUIRE PATTON BOGGS
Giving clients access to business-critical information spanning 40 different countries
Sponsored by the International Bar Association

MANAGEMENT PARTNER OF THE YEAR
RAY BERG, OSBORNE CLARKE
An instrumental role in developing and leading Osborne Clarke's five-year 2025 strategy
Sponsored by Taylor Rose

MOST TRANSFORMATIVE IN-HOUSE TEAM OF THE YEAR
GAVI, THE VACCINE ALLIANCE
Playing a pivotal role in the procurement and distribution of an accessible Covid-19 vaccine
Sponsored by Cooley

PRIVATE CLIENT TEAM OF THE YEAR
WOMBLE BOND DICKINSON
A leading sporting estate practice, including the sale of 17,000-acre estate
Sponsored by Saunderson House

PRIVATE EQUITY TEAM OF THE YEAR
TRAVERS SMITH
Representing Inflexion on the sale of Medivet to CVC
Sponsored by Virtual Vaults

REAL ESTATE TEAM OF THE YEAR
HERBERT SMITH FREEHILLS
Acting as sole lawyers on the £3.5bn Canada Water development project
Sponsored by Edwards Gibson

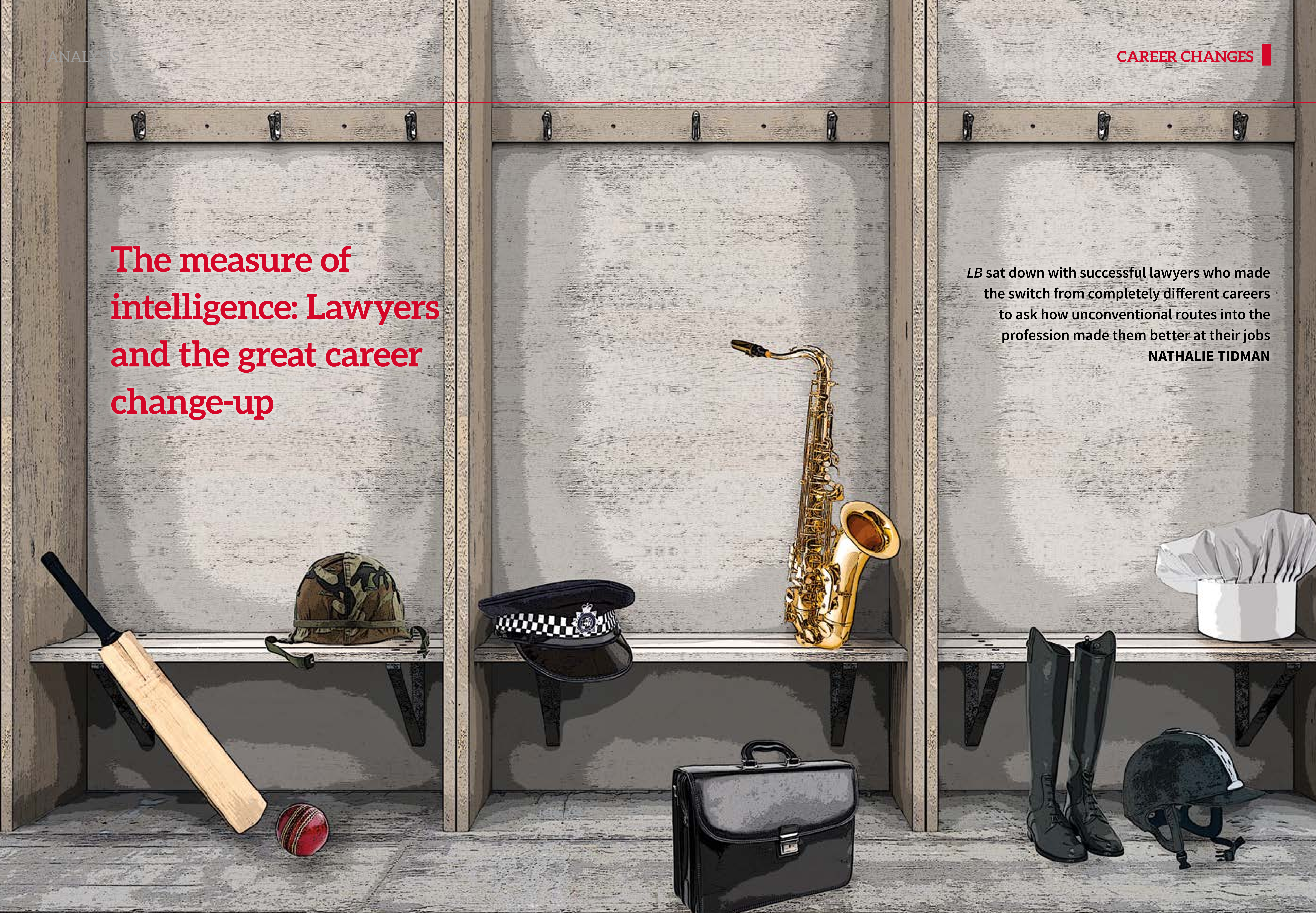
REGIONAL/OFFSHORE FIRM OF THE YEAR
CLARION
A successful year of significant cross-border corporate work
Sponsored by Taylor Root

RESTRUCTURING TEAM OF THE YEAR
KIRKLAND & ELLIS
Advising NMC Healthcare on its successful $7.6bn financial restructuring
Sponsored by the International Arbitration Centre

RISING STAR IN-HOUSE COUNSEL OF THE YEAR
NDIDI EZENWA, JUVEN
Winning widespread plaudits for her experience spanning both Nigeria and the UK in equity investments
Sponsored by KPMG

TMT TEAM OF THE YEAR
PINSENT MASONS
Successfully representing the defendant in *Lloyd v Google* data privacy case
Sponsored by Kidd Aitken

US LAW FIRM OF THE YEAR
COOLEY
Replicating the success of the firm's well-established position in the US in London
Sponsored by Fox Rodney



The measure of intelligence: Lawyers and the great career change-up

LB sat down with successful lawyers who made the switch from completely different careers to ask how unconventional routes into the profession made them better at their jobs

NATHALIE TIDMAN

'Quite unexpectedly, the skills and experiences you've had in your previous career make you a better lawyer and more successful. Having a completely different dimension to your personality makes you more interesting to the clients. It turns you into an asset.' So observes James Anderson, almost-famous musician, and now head of Skadden's European tax practice.

While Anderson may still be kicking himself over what he calls 'the Radiohead misfire', his view rings true for all of the lawyers interviewed for this piece. Perhaps his former career imbued in him a desire for recognition – he now features in the lofty ranks of *The Legal 500*'s Hall of Fame for corporate tax.

Einstein said that the measure of intelligence is the ability to change. The sentiment has perhaps never been truer than it is now in these times of radical upheaval. As such, we spoke with lawyers who have entered the profession from jobs as diverse as chef to the stars, cricketer, police officer, nurse and travel agent, to delve into the reasons why they made radical shifts in their careers.

nathalie.tidman@legalease.co.uk
@LegalBusinessUK

HELEN SIMPSON, FROM RUNNING A TRAVEL BUSINESS TO PRACTICE PARTNER FOR THE UK AND MIDDLE EAST AT DENTONS

'People said I couldn't do it while doing my law degree at the same time, which only made me more determined.'
Helen Simpson, Dentons

For Helen Simpson, it was less a case of changing track entirely, but running two careers in tandem. Tragedy struck in the second year of her law degree, as Simpson's father died suddenly, putting the student in the unlikely role of running a retail travel business in Yorkshire and Lancashire.

Simpson attributes her decision to take over the family business to a combination of stubbornness and a sense of duty. 'The business had my dad's name on it and the staff's livelihoods were riding on the business. People said I couldn't do it while doing my law degree at the same time, which only made me more determined.'

While it might be reductive to label Simpson's working life as a classic case of lawyerly overachieving, it is a refrain that springs to mind repeatedly while chatting with her.

She ran Dave Simpson Travel for a decade from 1998 to 2008, overlapping – much to the consternation of the graduate recruitment staff – with her training at Linklaters and in 2002 qualifying into the Magic Circle firm's litigation and arbitration team. Simpson quips that the experience stood her in good stead for the juggling involved in law firm management while having four children and a dog. 'It influenced my leadership style. I had to manage and lead 30 people and develop a strategy to evolve the business. I knew I wouldn't be able to do that until I did what the employees did, so I went and learned how to sell holidays. I made up luggage labels.'

Simpson signed over the five shops to their respective managers to run as family businesses in 2008 but her leadership style has endured. 'I don't have a desk at Dentons but I move around different departments and absorb the atmosphere of what's working well on the team. That's how I learned my understanding of the shop floor.'

Another terrible loss, her sister dying from a brain haemorrhage on her way home from school at the age of 14, also put things into perspective, making Simpson unfazed by the usual legal career hang-ups. 'I wasn't afraid of stepping away from the Magic Circle. I took a sabbatical and drove to South India in a campervan. I wouldn't have given that up for the world.'

She left Linklaters for Dentons in 2009 and left Dentons in 2017 to run a consultancy business, where she advised on the Grenfell Tower Inquiry and advised boards of directors on governance issues. Simpson then returned to Dentons as practice partner in May 2022.

JAMES ANDERSON, MUSICIAN TO EUROPEAN HEAD OF TAX AT SKADDEN

James Anderson's career has ranged from sax to tax. Growing up in a council house in south-east London but gaining a scholarship to private school for his musical ability, Anderson describes himself as 'a chameleon, having to develop different faces for different places'.

Notwithstanding academic aptitude, studying law at Cambridge was for him a vehicle for indulging his love of playing in bands, rather than a route into a legal career. After busking around London to raise cash before going to university, Anderson threw himself into the music, with his degree at times playing second fiddle. 'I assumed Cambridge was a place where I had more opportunities to play music. I was a session horns player – harmonica, clarinet, any of the saxophones, sometimes percussion like conga or bongo. I was able to surf lots of different styles of bands. For the university balls you got two hundred quid. Real money in 1987.'

The circuit threw Anderson into the path of one Colin Greenwood and his brother, Jonny, both of Radiohead. He recalls: 'Colin and Jonny could play anything, so ended up in Dylan cover bands, funk outfits, jazz, blues – you name it. We sometimes slept on the floor of Colin's bedroom in Oxford and played there or in London, Bristol or Cambridge, sometimes with Thom Yorke and Ed O'Brien, the guitarist.

'That was 1987-90, when grunge was emerging and Nirvana was coming through. Dark, heavy, introspective music was novel after '80s pop, and I didn't particularly like it at the time, but it was beautiful stuff. After Cambridge in 1990 I decided to forge my own path, seeing no way through for that kind of music or band. Oh, by the way, Colin had changed the band's name from On a Friday to Radiohead.'

Anderson took a job teaching jazz and western culture at a classical music girls' school in Tokyo, returning after three months. He remembers: 'I came back to London and discovered that Radiohead had reached number one in the States with *Creep*. I went into Our Price in Notting Hill and that sound came out of the speakers. I thought – "Oh boy. What have I done?"'

Downcast by the 'Radiohead misfire' as he calls it, Anderson threw himself back into the session scene, recording parts for Fine Young Cannibals, Robert Fripp and Toyah Wilcox – but fate and a fraud had other ideas.

The bitter decision was taken to do something with his law degree. 'I had suffered a stolen identity scam, and was plunged into a huge amount of debt. In those days, the law was unsophisticated and it was harder to get any compensation or redress. The pressure was on.'

He signed up to law school and while waiting for that to happen, took a management consultancy role for Arthur Andersen based mainly in the Middle East. 'That was a fun job. We had our doors kicked down, our support staff kidnapped and our laptops stolen while investigating a corporate crime in the UAE.'

Arguably as far removed as possible from performing in Ronny Scott's and the 100 Club, Anderson landed a training contract at Clifford Chance (CC) in 1994 but was ambivalent to partnership. 'Some start their careers thinking if they don't make partner they're a failure. To me, it was just a way of getting through the next few years financially. I focused on being technically good at my job, paying down the debt and avoiding the bailiff.'

The debt was cleared, Anderson met his now wife and made partner at CC, before moving to Skadden, where he now heads the European tax team. He is philosophical: 'I've loved my career. It has taught me that creativity is vital in everything, a performance must always go on whatever happens and failure never really exists – you just try again with something different.'

MARCO BAGNATO, CHEF TO THE STARS TURNED KIRKLAND DEBT FINANCE ASSOCIATE

'I'm from the deep south of Italy – the tip of the boot. Growing up there, you're lucky if you don't end up in jail!' So quips Marco Bagnato, a former chef and now Kirkland associate.

Bagnato recalls a newspaper article about litigation sparking his interest in law as a career, though there was a slight obstacle. 'I didn't know much about law but I would need to learn English if I wanted to study it. I never got taught English at school and couldn't speak one word of it!'

Unperturbed but unable to afford summer school in London, Bagnato went to stay with relatives in Australia at the age of 18. It was there that he had his first brush with the culinary world, getting work washing dishes in a restaurant.

The window of opportunity to learn the language was small, given his education visa allowed only three months. 'I went to school every morning and worked every day. I got fired from my job as a kitchen porter. Then I found work in a fruit shop in Sydney market. It was a 4am start and an 8pm finish. I tell people it was like being a lawyer but without the air con!'

It was there that a chance meeting changed his course. 'I met Francesco, a chef who ran several good Italian restaurants. He told me he was opening a new restaurant and said if I worked for free he would teach me to cook. I became head chef by the time I was 21.'

Another pivotal encounter with a partner at Allens, the leading Australian firm with an alliance with Linklaters, inspired him to study law in London. 'I had the same issue of no money, so I had to find a job. I signed up to chef agencies. I cooked for the Queen several times. I went to Buckingham Palace and cooked for the then Prince Charles (now the King) and Camilla, Kate and William.

'The Queen complained and I was so relieved when it wasn't my dish! Beckham was my favourite celebrity. He was humble and approachable. We talked about wine, Tuscany and his son, Brooklyn, who was very young at the time. I've cooked for Bruce Springsteen at Wembley and the All Blacks at Twickenham.'

Bagnato then got onto the vacation scheme at Linklaters, having set his heart on the firm through his Allens contact. Then, meeting influential Kirkland partners Neel Sachdev and Kanesh Balasubramaniam on a deal during his training contract put him in the path of kindred spirits.

'I had to find a job. I signed up to chef agencies. I cooked for the Queen several times. I went to Buckingham Palace and cooked for the then Prince Charles (now the King) and Camilla, Kate and William.'
Marco Bagnato, Kirkland

'Neel and Kanesh reached out and we clicked straight away. It was a natural fit. I got an offer on a plane to New York within a week of the first meeting! There is a hunger to do well and be entrepreneurial and client facing here, not rest on your laurels. That was the reason I went to Kirkland. It was a culture thing, and because of Neel and Kanesh, who have become mentors.'

There are also many transferable skills. 'The ability to control your emotions under pressure is most important. People think of Gordon Ramsay shouting in people's faces. Actually, my residing memory of those years of professional cooking is silence. You have to have the ability to focus under pressure. Be able to talk to people, customers or motivate the kitchen porter – to know what makes people tick, just like on a deal with the team around you.'

It is clear that Bagnato's work ethic has found its rightful home at the firm. 'At Kirkland I can be myself and accelerate my career and I'm proud of that. Kirkland is a true meritocracy and what sets you apart is just how good you are. Ultimately, the most valuable currency here is excellence.'

LEE RANSON, CO-CHIEF EXECUTIVE OFFICER OF EVERSHEDS SUTHERLAND, FORMER POLICE OFFICER

Having inexplicably decided to become a solicitor at the age of 11, Lee Ranson's previous career at the forefront of the thin blue line came about through poor planning at university. Not having any precedent in his family on how legal education worked, by the time he realised he needed to apply to law school, all the places had gone.

'I had zero money and an overdraft,' recalls Ranson. 'I wanted to do something that would answer the legal piece but also earn money. I applied to the Avon and Somerset Constabulary. I was doing the interviews while my finals were taking place. I got accepted and started straight away.'

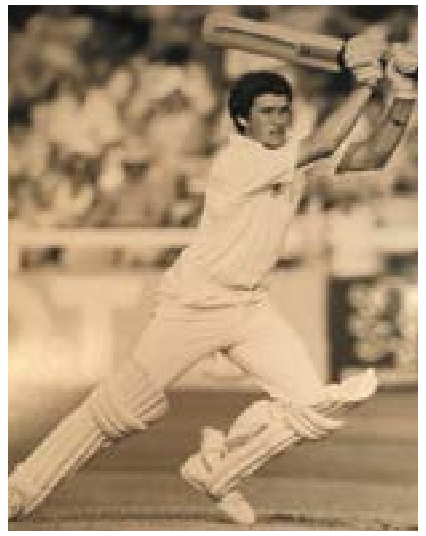
After a gruelling training course, Ranson started in B Division, a unit which oversaw some of the more deprived areas of Somerset, and immediately enjoyed the camaraderie. So much so, he almost didn't leave. He says the steep learning curve gave him an edge over peers in his legal career.

'I had to take some big decisions as a 21-year-old. People looked to you to have the capacity to positively shape a situation. I worked through riots where there were petrol bombs. It was a close-run thing whether I would go to law school, but when I got my training contract, I felt I was massively accelerated compared with people who hadn't had jobs before. I learned early on that society is not made up of a narrow line of people. In the police you see the whole of society and interact with them.'

Ranson waxes lyrical about the many skills he learned that prepared him for the hairier aspects of law firm leadership. 'I arrested about 130 people. On many occasions I was hugely outnumbered. It's about how you get people to calm down in a tense, fraught and potentially dangerous situation. The best officers police by consent, and defuse the situation rather than going in aggressively.'

It also taught him the importance of teamwork, which he maintains has been the most important part of his management style throughout his career. He recalls a cautionary anecdote, funny in hindsight: 'Someone had a horse on a tiny patch of grass. This was when glue sniffing was a thing and this skinhead approached sniffing from a bag. He jumps on the horse and starts swinging from its neck. He tried to punch me after I intervened, so I cuffed him. Then six of his friends came around to help him so I had to radio in. It ended in multiple arrests. After that I was told never to go for a walk on my own again!'

NIGEL POPPLEWELL, CRICKETER TURNED BURGES SALMON TAX CO-HEAD, TURNED MEDIATOR AND JUDGE



'One thing cricket taught me was the importance of taking responsibility. The buck stopped with everyone.' Nigel Popplewell, mediator and judge

It might be said that Nigel Popplewell became a first-class cricketer because he was stumped as to what career to pursue on graduating from Cambridge with a 2:1 in natural sciences.

'I played cricket in Hampshire in the Second XI between 1976-77, but didn't want to play professionally. I thought it was slightly going against my parents paying for my public school education. In 1979 I went to Somerset for a trial and ended up playing for the whole season,' Popplewell recalls.

He describes something of a charmed life, playing cricket in the summer and teaching biology and chemistry at public schools during the winter. Reminiscing on quite a different sporting time, he remembers: 'We were sponsored by Benson & Hedges and by the John Player League. I smoked 30 a day just because I could. You don't need to be aerobically fit to play cricket. It doesn't matter if you can run if you can't hit or catch a ball! Smoking helped with the unconscious anxiety. It's quite nerve racking, playing professional sport in front of a thousand people. I have been in court as an advocate and nothing has been as emotionally difficult as playing cricket.'

He retired from cricket in 1985 after a career that saw him score 1,064 runs at an average of 38.00 in 18 first-class matches. His wife's career as an anaesthetist in Taunton meant that his next career move had to allow him to stay in Somerset. Inspired by his father and brother, who were both High Court judges, he decided the law would fit the bill.

He finished his articles at the age of 30 and qualified at 32, imbued with a maturity that he argues made him more determined. '10% of the firsts in the solicitors' finals were awarded to people in my class. We were committed and had taken the decision to change the course of our lives. There were single mums. You could only do the course face-to-face in those days.'

An early decision to become a corporate finance lawyer, and the need to be conversant with tax law, led him to complete his Chartered Institute of Taxation qualification in 1990. 'It changed me into wanting to do tax. There wasn't scope for corporate tax so I did inheritance tax, partnership work and tax litigation. I spent a lot of time in tribunals. In 1999 I joined Burges Salmon doing pure tax.'

Popplewell also wanted to diversify his career options to become a mediator and a judge. 'In 2015 there was a recruitment drive for judges and I threw my hat in the ring while still at Burges Salmon, becoming a first-tier tribunal judge. 'I decided that when I retired I wanted to do more judging and that's what I did. I was 58 years old and a lot of the other judges were a lot younger. You're never going to earn a living as a tax judge. It's not a meal ticket.'

Popplewell says his cricketing career stood him in good stead for the rigours of lawyering, giving him invaluable transferable skills. 'One thing cricket taught me was the importance of taking responsibility. The buck stopped with everyone. I have played with Ian Botham and Viv Richards – amazing players. You could have relied on them to win the match but the reason we did well was because everyone took responsibility. Don't expect others to do anything for you and if you make a mistake, 'fess up!'

'On my first day they took us around a tour of the hospital and I saw patients on a dialysis machine, with blood whooshing around. I took one look and fainted. That was an auspicious start!' Jennifer Bethlehem, Freshfields

JENNIFER BETHLEHEM – FROM NURSE TO FRESHFIELDS CORPORATE AND M&A PARTNER

Jennifer Bethlehem's career before law was born more of necessity than a vocational passion for nursing. In her final year of school in South Africa, her father developed a brain tumour and died within nine months of diagnosis. Bethlehem's parents' careers were noble rather than lucrative (her father worked for the British Council and the UN in education and her mother worked for Save the Children) so there was little money for her three younger brothers to stay in school and to put her through university. With teaching and nursing the only two careers that offered paid training at the time, Bethlehem was encouraged towards nursing by her aunts, one of whom was head of the South African Nursing Council.

Bethlehem was sceptical: 'I told my aunts that I was terrified of blood and got anxious when I got to hospitals. They said: "Nonsense – you'll get over that!"'

'On my first day in nursing they took us around a tour of the hospital and I saw some kidney patients on a dialysis machine, with all this blood whooshing around. I took one look and fainted. That was an auspicious start!'

Bethlehem did overcome her fears and in impressive style: 'I ended up working in trauma and intensive care, probably the most extreme areas for a squeamish person! I wouldn't say I chose to become a nurse, but while I was doing it I had a great deal of job satisfaction.'

Meanwhile, the civil unrest sweeping South Africa posed its own – often harrowing – problems. At Baragwanath hospital in Soweto, Johannesburg, Bethlehem was routinely treating war zone-style injuries. Her future husband, a doctor, also had to flee to the UK to avoid conscription into the army. The couple got married and went to live in the UK.

Having already satisfied her academic curiosity by doing a degree at London's Birkbeck in politics, history and philosophy, Bethlehem took the decision to do a law degree at King's as she approached her 30th birthday.

However, when the time came to secure a training contract, top-tier law firms proved less than forthcoming: 'I wasn't somebody who read the *FT* or was particularly interested in the world of business. If I'd come to a Freshfields interview I would have failed because they ask you things like – "this month in *The Economist*, what did you read?" I would have said: "Nothing, who cares?"'

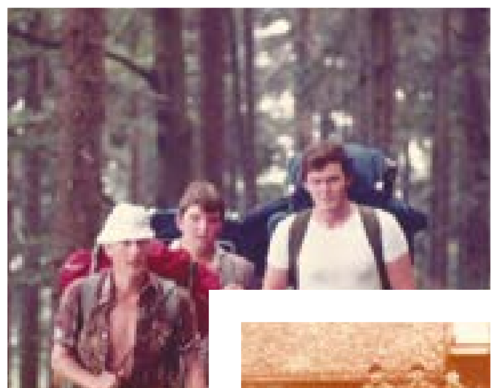
Fortunately, not every firm was put off by her unorthodox background: 'I did my training contract at Nabarro and I will always have the most unbelievable gratitude to the people there who had the foresight to give me a chance. Nobody else did.'

Bethlehem wanted to pursue premium M&A instead of the property deals Nabarro offered, so (slightly daunted by its Oxbridge reputation) applied to become an associate at Freshfields during the dotcom boom. She got the job. 'Once I arrived I felt I was in the right place. My perception was that Freshfields was traditional and closed, but I have been given every opportunity to be myself.'

She reminisces about an episode when, as an associate, her directness of manner saw her reproach former senior partner Ed Braham over smoking – a habit she detests – in the office.

She is bullish about her unusual route into law: 'I've never felt the extreme stress of nursing in any situation in my law career. Nursing teaches you to be resilient when you don't know what's going to happen that day, especially in A&E or trauma. One of the most difficult things about working in the NHS is, you have complete extremes of people who are so dedicated, and people who don't give a shit. There is nothing more stressful in the world than working with people who don't give a shit. In my life now, everybody cares.'

CLAUDE BROWN, FROM THE ARMY TO REED SMITH ESG PARTNER



Claude Brown's schoolboy fascination with the army led him to follow a well-marched path from Cambridge to Sandhurst before joining the Royal Artillery, where he stayed for a decade.

To avoid the career trap of hanging on for the pension or becoming desk-bound at the Ministry of Defence, Brown left the army and made his way into the City almost by chance.

'I was looking for a job around the time of the Big Bang. I was having dinner with my now wife and her friends. One of the guys was a trader for a Japanese bank and said Nomura just hired a bunch of Guard's officers into their private client arm. His Japanese managing director was looking for people in the army because Nomura had them,' he recalls.

Brown passed the interview with flying colours, having only to assure the Japanese MD that Sandhurst was the premier military academy in Britain (it was the only one), and worked at the trading desk of the shop, which was later consumed by Mitsubishi Group, for just over three years.

A perceived glass-ceiling for non-Japanese employees meant that he could not see a future in the City, having instead visions of a career that would allow him to retire to the country.

'Law had appealed since being in the army in Germany. There were a lot of naughty soldiers in the regiment to put it mildly. I ended up as defending officer in an awful lot of court martials because I was quite good at filling in the legal aid forms. There were a couple of attempted murders, armed robbery. The first few were found not guilty so people said: "Go and ask Captain Brown – he'll get you off!" I got quite interested in the law.'

Brown's wife Claire was working at a Canadian bank at the time and the decision was made that she would support him through law school as, he quips, 'a long-term investment'.

At the age of 32, Brown went to law school, doing his CPE in Guildford where his early morning habits elicited some concern from the lecturers.

'I used to drop my wife off at the station for 6.30am and then go and work in the library until the first lecture. I was used to the army life of starting early. I'd been there three weeks and I had the interview with sherry, where the tutors invite you in for a glass and ask how you're finding the course. He said: "I think you mature students struggle a lot. I hear you're getting to the library at five in the morning!" I said: "No, I'm not!"'

'There were a lot of naughty soldiers in the regiment to put it mildly. I ended up as defending officer in an awful lot of court martials because I was quite good at filling in the legal aid forms.' Claude Brown, Reed Smith

Brown did his articles at Linklaters and was there two years post-qualification, but left because at the time the firm was only practising English law, which didn't fit with his cross-border derivatives ambitions. He joined Clifford Chance, which did have a global strategy, and jokes that the office move to Canary Wharf was reminiscent of a unit move in the army.

Unsurprisingly, his experiences have taught him stamina. 'I didn't mind working late because I was warm and dry and no-one was shooting at me. In lockdown when the managing partner rang up to ask how everyone's mental wellbeing was, I said: "I used to spend three months in a bunker underground in nuclear release. Here I am, looking out on a field in the Chilterns. What's not to like?"'

Now a partner at Reed Smith, Brown credits his military training for his ESG specialism. 'In the artillery, a rocket or missile is in the air for up to a minute so you have to learn all about meteorological stuff like the rotation of the earth and weather. Suddenly in 1998 someone rang me because I always seemed to know about obscure things. That's how I started doing weather derivatives. No matter what you learn, however obscure, it's going to have some use.'

LAURA SYLVESTER, HORSE RIDING INSTRUCTOR TURNED PROBATION OFFICER TURNED MEDICAL NEGLIGENCE AND PERSONAL INJURY PARTNER AT KINGSLEY NAPLEY

Lawyers by nature are a high-achieving bunch and Laura Sylvester bears testament to that – having found success in numerous careers before arriving at the law.

With a degree in philosophy and classical studies with Latin, Sylvester had planned on becoming an academic but in 2002 that was a particularly uncertain path which would have required self-funding.

It was her love of horses that led her to meet some contacts that would shape her career. 'I picked up a job in Wiltshire as a riding instructor and hunt groom for the yard. I was teaching a barrister and a magistrate to ride and I got to know them through the horses. I still wanted a career that involved intellectual study. The magistrate I was teaching suggested I did work experience with a judge she knew, Judge McNaught at Swindon Crown Court.'

After two years as a riding instructor, the judiciary experience prompted Sylvester to do a conversion course and, nine months before that, she landed a job in the probation service, commuting service orders, a role she maintained through law school.

Reflects Sylvester: 'Court was daunting but there were magistrates from different backgrounds and the clerks were kind and helpful. Tutors told us not to have paid work or we wouldn't have time, but I was self-funding. The probation service was understanding. Having wanted to go down the masters and PhD track, the law was not a big reach for me as it was very intellectual and dealt with complicated issues. Legal arguments in causation – philosophy taught me to do that.'

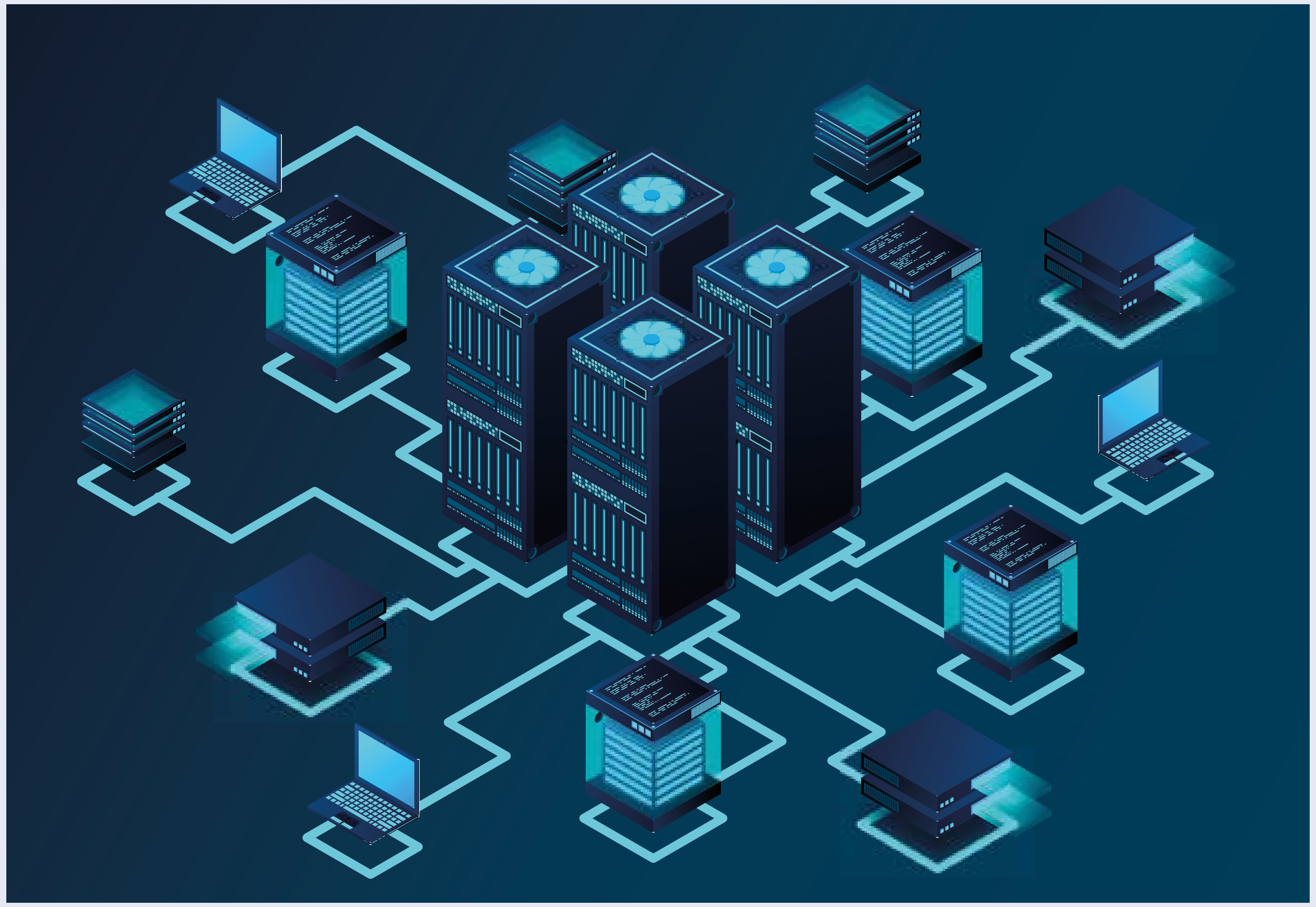
Sylvester is animated about the transferable skills between her academic training and her legal career. 'In clinical negligence, you have to create a world where there wouldn't be any negligence. I really like the technical aspects of arguments. Complicated and theoretical. Consent law changes all the time and there's always something to read about. Philosophy gave me the confidence to have an opinion, as long as I could back it up and not be scared by it.'

She admits that some of her experiences in the probation service were unsettling, working as she sometimes did with sex offenders. Emphasising the business sense of law firms hiring from diverse background, Sylvester insists her unusual career track has made her a better lawyer: 'I was more mature when I went into law and, because I was self-funded, I worked incredibly hard. It focused my attention because I had chosen to be there.'

'I was teaching a barrister and a magistrate to ride and I got to know them through the horses. The magistrate suggested I did work experience with a judge she knew.'
Laura Sylvester, Kingsley Napley

Debunking the myths holding back digitalisation

A lack of trust and technical know-how are holding back legal firms from digitising their workflows — but finding the right tools can be half the battle



For most UK law firms, the 2020 pandemic drove home the power of digitalisation.

While social distancing may have kickstarted remote work, the legal framework for tackling business online has already been in place for two decades. England, Wales, Scotland and Northern Ireland have all recognised the validity of electronic signatures since 2002, under the 2000 Electronic Communications Act.

Yet despite this long history and a heady springboard of technological progress over the last two decades, many legal companies still feel reluctant to move workflows online.

Common concerns include a lack of technical know-how, a dearth of resources, or worries about security.

> ‘Common digitisation concerns include a lack of technical know-how, a dearth of resources, or worries about security. But many of these misgivings are built on misconceptions, and can often be tackled by finding the right tools to meet your company’s needs.’

But many of these misgivings are built on misconceptions, and can often be tackled with something as simple as finding the right tools to meet your company’s needs.

As CISO and co-founder of Tresorit, the Swiss-Hungarian specialist in end-to-end encrypted cloud collaboration, my aim is to ensure as many people as possible can harness the opportunities that digitalisation can provide for growing, future-facing firms.

Tresorit’s comprehensive document management system caters specifically to sensitive files, ensuring that data and documents are protected throughout their lifecycle within one integrated interface.

Our latest add-on, Tresorit eSign, expands that platform even further, giving customers the power to sign documents electronically with the touch of a button.

But most importantly, our tools are also designed to tackle many of the perceived pitfalls that stop companies from embracing digitalisation, from legal and security worries to concerns about customer uptake.

We have rounded up four of the most pervasive myths about digital work and e-signatures — complete with tips on how your company can tackle them head-on.

MYTH 1: E-SIGNATURES ARE UNTESTED UNDER UK LAW

A 2021 survey carried out by the Solicitors Regulation Authority (SRA) in co-operation with Oxford University found that regulatory uncertainty was the main concern for legal firms holding back on adopting new legal tech solutions.

Some 45% of respondents felt that uncertainty around regulations on the use of legal tech was the critical barrier to their implementation, with most pointing to client confidentiality and GDPR.

In the UK, the Electronic Identification and Trust Services for Electronic Transactions (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/89) — otherwise known as UK eIDAS Regulation — already recognises three types of digital signature.

Simple signatures are defined as any electronic data used by a signatory that is attached to or logically associated with other electronic data — usually a digital contract. An SES requires no further proof of security or legitimacy.

A second level of signature — advanced electronic signatures — requires greater care, and demands that the electronic data in question is uniquely linked to the signatory, capable of identifying the signatory, and linked to the signed data in such a way that any subsequent change is identifiable. It also requires the use of electronic signature creation data.

Finally, the highest level of electronic signature, a qualified electronic signature (QES), is created through a QES creation device and based on a qualified digital certificate for electronic signatures.

Tresorit eSign uses a simple electronic signature, or SES (although qualified electronic signatures will be available via the same user-friendly platform in the near future).

Not only are SES relatively-straight forward to use, but they have already proven their worth and legitimacy in the UK legal system.

English courts have previously come out in favour of even informal e-signatures. In one case, *Golden Ocean Group Ltd v Salgaocar Mining Industries PVT Ltd*, parties in the Court of Appeal were able to agree that ‘an electronic signature is sufficient and that a first name, initials, or perhaps a nickname will suffice’ when signing a contract of guarantee.

MYTH 2: CUSTOMERS DO NOT WANT TO GO DIGITAL

In 2022, most people not only recognise the benefits of e-signatures, but already have some experience in using them. A study by Neopost France found that almost 74% of respondents had already used electronic signatures, and that 58% saw them as just as valid as their ink-on-paper counterparts.

At the same time, PwC’s 2020 Trusted Tech survey revealed that consumer trust in business technology was falling, rather than rising. So how can business leaders reconcile these two trends?

An erosion of trust is not a sign that companies should shirk away from digitalisation, but only that they should address customers’ concerns on data protection.

Showing your clients that you care about the security of their personal details should not be seen as a burden, but as a key step in building a productive working relationship.

Strong data protection is usually based on some form of encryption, and you will want to look at the different options on the market to see which kind of encryption is right for you.

But while encryption provides a keystone in stringent digital security, it is not the only thing companies can do to keep data safe. Tresorit eSign lets firms go the extra mile by providing document passwords, watermarks and time-limited links, and file access logs.

As all documents processed via Tresorit eSign are stored in Tresorit’s end-to-end encrypted environment, companies retain complete control over contracts and their confidential content at all times. With the help of tools such as set permissions, users can define who can view and edit each document, and how often or for how long they can be accessed.

MYTH 3: GOING DIGITAL INVITES GREATER RISK

Some firms see moving workflows online as inherently risky. As more legal firms have moved to storing and sending files online, the digital threats they face have also proliferated. But the key is being prepared for any potential dangers, rather than seeking to avoid them altogether.

> ‘As more legal firms have moved to storing and sending files online, the digital threats they face have also proliferated. But the key is being prepared for any potential dangers, rather than seeking to avoid them altogether.’

The truth is that all workplace tools — including email or even traditional, paper and ink documents — carry some form of risk.

One recent article from *Information Security Magazine* found that in the UK legal sector, one in ten cyber-security incidents were linked to data loss, but that these could stem from everything from a lost or stolen phone to paperwork being left on the train. Figures from Verizon’s 2022 DBI Report show that the human element continues to drive 82% of all data breaches.

Good digital security can both minimise the likelihood of human error, and put tools in place to mitigate the damage of any potential missteps. If you lose a briefcase stashed with confidential documents, then there is little that can be done to retrieve that information. If paper files end up in the wrong hands, they can easily be copied, photographed, or passed on. But with the right online tools, you can revoke access to documents that have been incorrectly shared, or add expiry dates for documents or links.

‘The best IT solutions remove obstacles, rather than add to them. If staff find digital security tools cumbersome or difficult to use, they will often find a way to bypass them — and sometimes inadvertently put data at risk.’

Digital security tools such as Tresorit will also include in-built auditing tools, so that IT team leaders can drive accountability and learn from past mistakes.

Access history logs will allow you to monitor which employees have opened a certain document, and can be easily exported. Some platforms will also be able to provide comprehensive reports in event of a data breach.

MYTH 4: COMPLICATED DIGITAL TOOLS DESTROY PRODUCTIVITY

Contrary to widespread belief, an arduous checking process is not the best indicator of a truly secure digital platform.

In fact, laborious security protocols not only eat away at productivity and efficiency, they can also pose a serious threat to your company’s cyber security.

The best IT solutions remove obstacles, rather than add to them. If staff find digital security tools cumbersome or difficult to use, they will often find a way to bypass them — and sometimes inadvertently put data at risk.

These shortcuts often result in the use of what is known in cyber security as shadow IT. If a staff member finds sending or sharing an encrypted file too complicated, for example, they may instead use an instant messenger or commercial cloud service.

But because these platforms are not built with business security in mind, they often contain vulnerabilities that can be exploited by hackers or other cyber threats. They also do not have tools that can guard against accidents such as mis-sent links, or stop sensitive documents from being photographed or forwarded on.

Good IT decision-makers prioritise solutions that put people first: tools that are intuitive and integrate seamlessly into everyday workflows.

Any change in IT should also be accompanied by a comprehensive training programme, so that staff feel supported, confident, and that potentially damaging errors are kept to a minimum.

Industry-leading digital platforms such as Tresorit will ensure that interfaces are clear and easy to use, even for those who are non-tech-savvy.

Further details on Tresorit eSign, as well as download options, can be found at www.tresorit.com/esign.

For more information, please contact:

Dietmar Spehr

Head of Brand and Communications

E: press@tresorit.com
T: +49 0151 509 117 01

tresorit.com

HOW CAN I FIND THE RIGHT ENCRYPTION FOR MY COMPANY?

Strong data protection is usually based on some form of encryption — but not all encryption methods are created equal. If your firm wants to embrace the benefits of digitalisation, then it is a good idea to have a firm grasp on the different offerings currently on the market.

In order to choose which kind of encryption will best serve your company, you will need to have some idea of your organisation’s digital needs. Often, this will involve looking into any local legal requirements in the markets where your firm operates, and investigating whether your firm faces any particular digital security risks.

In the post-Covid era, it is also important to check that your encryption system will remain secure even if staff need to access documents and data from multiple devices and locations.

To help you make sense of some of the terms you might come across while reading about encryption online, we have summarised three of the most common encryption types: in transit, at rest, and end-to-end (e2ee).

AT REST

Most commercial platforms use at-rest encryption, which means that data is encrypted while being held on a data centre hard drive. If a hacker was to attack your files while in this state, they would not be able to read your documents.

However, because your files are encrypted using keys that are held by your data centre or cloud provider, these individual companies could potentially still access your files.

IN TRANSIT

If data is encrypted in transit, then it is encrypted while it travels between its source and destination: outside ‘eavesdroppers’ will not be able to intercept or read your data while it is on the move.

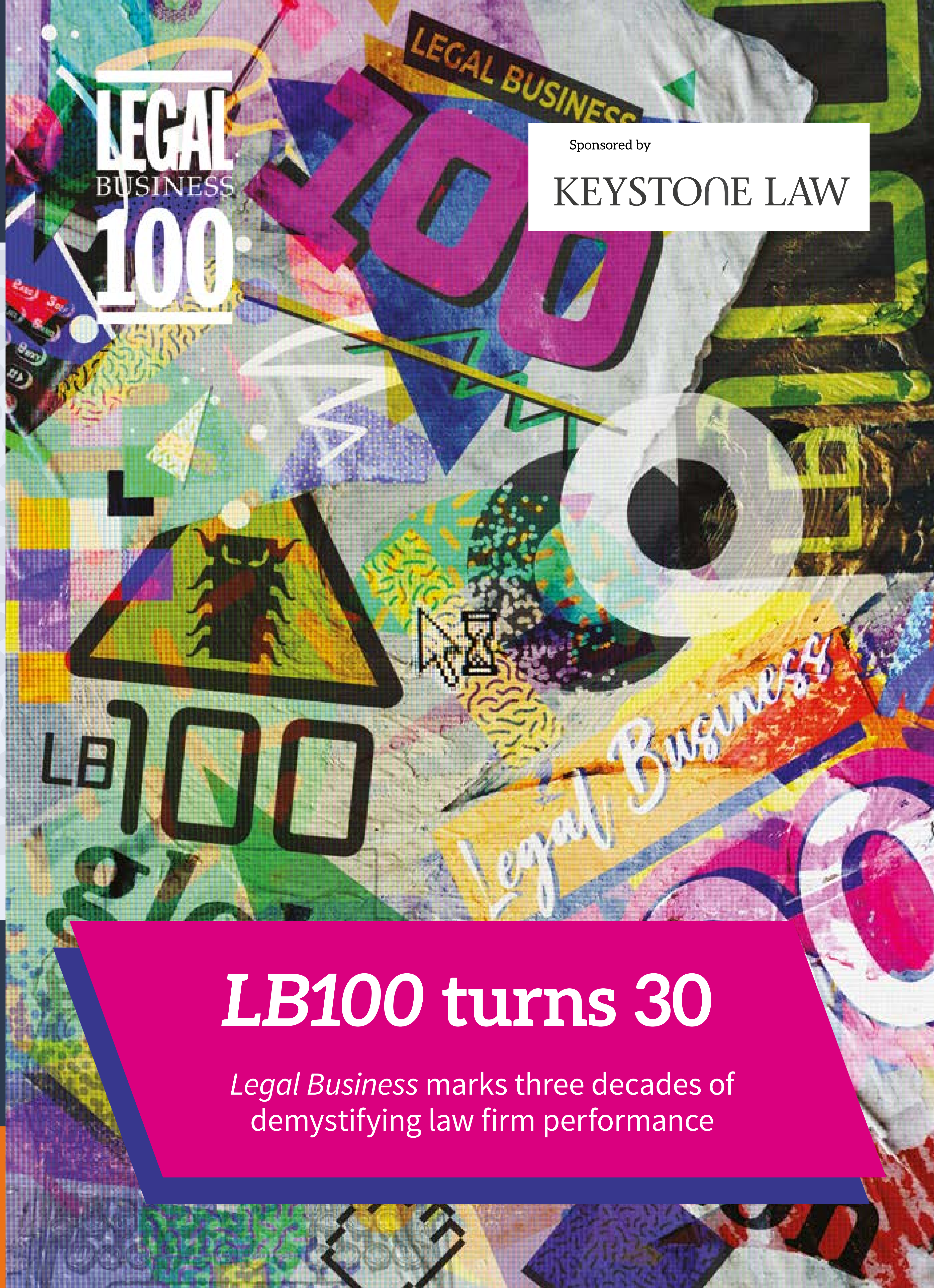
However, your data could well have several stops while it travels between one device to another. Data sent online will often travel from its source device, to a network router, and an outside server before being sent back through the recipient’s router and its final destinations. In these cases, data is usually decrypted when it arrives at each of these stops, before being re-encrypted and sent on. Unfortunately, this can leave your data vulnerable to attack at multiple points. If a hacker gets access to the external server through which your data travel, they will be able to access and read your files.

END TO END

True end-to-end encryption (e2ee) — which is already used by companies such as Tresorit — is usually considered the industry gold standard in modern encryption.

End-to-end encryption ensures that the only people who can see your data are the sender and the recipient. That is because your files and their relevant metadata are encrypted on your device with unique, randomly generated encryption keys. These keys are also encrypted as they are being sent to other servers, and accessing files is only possible with a user’s own unique decryption key. That means your files are not even visible even to your cloud or storage company,

One way to check whether a provider has end-to-end encryption is to see whether they offer a password reset feature. If they do, it means that your provider has to access your data — and their encryption is not end-to-end.



LB100 turns 30

Legal Business marks three decades of demystifying law firm performance

High risers
£10.8bn revenue equals £3.5bn profit shared by 6,551 partners. How much did you earn?

Turning tides

As we mark the 30th anniversary of the ***Legal Business 100***, our 2022 report reflects an industry still riding the wave of a surging transactional market. But what will happen when that wave hits the shore?

CHARLES AVERY

'There is a real mismatch in how gloomy the economy feels and how busy the legal professional feels,' observes Deborah Finkler, Slaughter and May's managing partner. 'We're incredibly busy and it wouldn't surprise me that in the similar conversations you're having with other managing partners, they will say the same. There is just a lot of work.'

When our 2021 *Legal Business 100* (*LB100*) report was published, the profession was riding high on the back of booming deal flow that saw profits and revenues surge to previously unmatched levels. Fast forward 12 months, and the economic outlook is very different. Spiralling inflation, interest rate hikes and the macroeconomic issues resulting from Russia's continued invasion of Ukraine have made discussions of 'softening in the market' commonplace.

And yet, analysis of the *LB100* table betrays little of the turbulence many believe to lie ahead. Despite the overall number of lawyers staying static, revenue across the group grew 9% to £31.35bn, while profit jumped 13% to £10.55bn. Revenue per lawyer (RPL) hit £409,000 after a 10% increase, while profit per lawyer (PPL) grew 12% to hit £144,000. Solid numbers, almost matching last year's figures, which saw RPL and PPL bolstered by 11% and 12% respectively.

'There was a lot of pent-up energy and pent-up activity that businesses wanted to press ahead with during a period of relative stability in the markets, so we were busy all around the firm.' Georgia Dawson, Freshfields

CREAM OF THE CROP

Little has changed at the top of the table. The Magic Circle firms enjoyed a steady year, with revenue rising between 5% and 10% for the group. Perennial frontrunner DLA Piper also performed well, evidenced by a 35% ballooning in profit per equity partner (PEP) to £1.612m.

The movements of Allen & Overy (A&O) and Hogan Lovells, which swapped positions to now sit in third and fourth place respectively, were the only points of difference from last year's top ten.

A&O's ascent to the bronze medal position can be attributed to a 10% addition to its top line, which saw it come out on top alongside Slaughter and May in the Magic Circle growth stakes. Though PEP only rose by a modest 3%, RPL of £789,000 puts A&O well ahead of Clifford Chance and Linklaters, if not Freshfields Bruckhaus Deringer's £847,000 RPL.

The City giant's mixed fortunes stateside have been well documented in the last few years, but recent developments, including the opening of a new Boston office, suggest that expansion efforts are starting to pay dividends. A&O global managing partner Gareth Price offers insight into the strategy: 'Private capital, sustainability and technology are our three themes. Our rationale is that tech affects all businesses, it's not just a play for big tech. You see the hires we made in the US last year around tech, you can expect to see us continue on that.'

M&A: Agility is key to support clients in complex transactions

Deals are becoming more complex as companies increasingly use mergers and acquisitions (M&A) to pursue ambitious strategic goals and new stakeholders disrupt the market. Successful M&A lawyers must be able to combine excellent legal knowledge and process management skills with in-depth business awareness to support clients in complex transactions.

PRAGER DREIFUSS has extensive experience and a longstanding tradition in supporting clients in complex M&A transactions, including acquisitions and sales, mergers, spin-offs and joint ventures. They are part of the firm's core business. PRAGER DREIFUSS will take the client through the entire process, from structuring the deal to its execution. Its lawyers conduct legal due diligence at a target company, negotiate the necessary agreements, set up acquisition vehicles and optimise the capital and tax structure of the deal. Throughout this process, the firm can call upon excellent interdisciplinary knowledge.

With more than 40 lawyers and a total of approximately 80 employees in Zürich, Berne and Brussels, PRAGER DREIFUSS is one of the leading law firms in Switzerland. With the ability to draw on additional specialised experience within the firm ranging from banking and finance, venture capital, competition law, capital market law, insurance law, tax law, restructuring and insolvency law, contract law, employment law, intellectual property rights as well as corporate law, PRAGER DREIFUSS is ideally placed to offer businesses and entrepreneurs a comprehensive range of required legal services in addition to the support of complex M&A transactions as well as effective and innovative solutions adapted to the legal and economic realities of complex challenges.

The PRAGER DREIFUSS M&A team is led by Andreas Moll and Daniel Hayek. The team consists of six partners (Andreas Moll, Daniel Hayek, Urs Bertschinger, Hans-Ulrich Brunner, Verena Morscher, Guy Deillon) and a number of highly skilled counsels and associates (Mark Meili, Christian Schönfeld, Rahel A. Nedi, Laura Richenberger, Anik Zehnder).

PRAGER DREIFUSS offers a key account system guaranteeing efficiency, short response times and an attractive cost structure. As far as necessary and suited for a client matter, PRAGER DREIFUSS is able to form a tailored team of partners and lawyers of varying seniority to manage any M&A transaction that is entrusted to us.

With its wide network of M&A experts in other jurisdictions, PRAGER DREIFUSS ensures that all aspects, whether local, national or further afield, are taken care of and cross-border transactions can be dealt with successfully.

PRAGER DREIFUSS's M&A team (clockwise from left): Andreas Moll, Daniel Hayek, Urs Bertschinger, Hans-Ulrich Brunner, Verena Morscher, Guy Deillon, Mark Meili, Christian Schönfeld, Rahel A. Nedi, Laura Richenberger, Anik Zehnder

Recent work undertaken by this team includes, among others, advising Attestor Ltd and Trinity Investments DAC in connection with the acquisition of the Euronext listed car-rental service Europcar Mobility Group. Recently, PRAGER DREIFUSS advised a group of international data centre companies with respect to the acquisition of two Swiss companies running data centres in different parts of Switzerland. PRAGER DREIFUSS further assisted the client as well as the newly acquired companies with respect to the post-closing integration and restructuring of the business.

PRAGER DREIFUSS acts as lead or local counsel to various European private equity funds in connection with the acquisition of target companies, add-ons and other investments. The broad expertise of its lawyers in various fields allows PRAGER DREIFUSS to provide the clients with global solutions not only for the acquisition of a company or its resale, but also for the follow-up of the investment, its financing, the incentivisation of key employees, etc.

In close co-operation with its experienced tax team, PRAGER DREIFUSS also offers its clients assistance in tax-efficient planning, structuring and implementation of M&A and real estate transactions as well as participations in companies (LBO, MBO, joint ventures, private equity, venture capital).

The PRAGER DREIFUSS team also advises various domestic and international clients in connection with financings as well as on general corporate, stock exchange and capital markets matters. They provide support for companies in relation to corporate housekeeping and corporate compliance and advise boards of directors and senior management with regard to directors' liability and legal strategy aspects.

PRAGER DREIFUSS is consistently ranked as an outstanding firm worldwide by leading publications, including *The Legal 500*, *Chambers*, *IFLR1000* and *Who's Who Legal*.

FOR MORE INFORMATION
To find out more about PRAGER DREIFUSS LTD's M&A team contact:
daniel.hayek@prager-dreifuss.com / andreas.moll@prager-dreifuss.com or visit www.prager-dreifuss.com

PRAGER DREIFUSS
ATTORNEYS AT LAW

Advertising feature

'The UK has been a real shining star across our 30 offices. Our London office in particular had a stellar year.'
Paul Jenkins, Ashurst

▶ Freshfields has also been making strides across the Atlantic. The firm, which saw a sound 7% rise in revenue and 8% uptick in PEP, doubled the headcount of its Silicon Valley outpost in the last 12 months, after a slew of hires on the West Coast.

Freshfields' senior partner, Georgia Dawson, speaks of a market busy in all areas: 'There was a lot of pent-up energy and pent-up activity that businesses wanted to press ahead with during a period of relative stability in the markets, so we were busy all around the firm in all of our markets and all of our practice areas as we supported clients as they got on with pursuing those objectives.'

Dawson adds that, despite a busy fee-earning year, the firm also found the time to focus on its ESG goals: 'In addition to client work, we were able to press ahead with a number of other firm initiatives from our sustainability agenda and our D&I agenda.'

Elsewhere Ashurst, another firm with eyes on the US, enjoyed a robust year in keeping with recent form. A 12% bump to its top line from £711m to £798m, and a 13% rise in PEP to £1.175m, contribute to 48% turnover growth since 2017.

Chief executive Paul Jenkins is unsurprisingly upbeat: 'It was the sixth year of significant revenue growth, with over 8% growth on average each year, and a 12% increase in the last financial year. We saw particular strength in the UK, continental Europe and Australia, underwritten by our global corporate M&A team delivering outstanding results. We continued to invest significantly in our people, with 29 lateral partner hires and the largest ever cohort of internal promotions to the partnership, with 25 new partners.'

Jenkins points to a post-Brexit continental push as a driver of the firm's strategy, though emphasises that London remains a focal point: 'We have had a strategic focus on our German offices over the last number of years and will continue to invest and strengthen our offering. Not surprisingly, as a consequence of Brexit we are seeing increased workflows. We have a strong financial services, real estate, infrastructure and disputes offering so we've seen that grow over the last 12 months, but the UK has been a real shining star across our 30 offices. Our London office had a stellar year.'

The sole new entrant to the business end of the table is Macfarlanes, which edges into this year's top 25 at Irwin Mitchell's expense. Widely appreciated for its striking PEP figure, which at £2.493m could only be bested by Slaughter's £3.5m, the firm also mustered an impressive 16% boost to its top line.

Reflecting on a bullish year, Macfarlanes senior partner, Sebastian Prichard Jones, is suitably buoyant: 'We have had a very broadly based performance. We were fortunate that all areas of the firm were busy and everyone therefore contributed, but in particular, we were lucky to be operating in a very hot part of the market in the alternative space. Across the piece, if you had decent exposure to alternative asset managers, you probably had a very strong year.'

Prichard Jones expects disputes to be the next practice to be built out: 'We anticipate making more partners up in disputes. The demand is there, particularly in competition litigation as well as some financial services litigation. We are not confined by size in this firm. We think we have space to grow.'

Bryan Cave Leighton Paisner is the only firm in the top 25 to see revenue fall from last year, with a modest 4% drop. To some extent this may be attributable to the firm's reporting calendar – which runs from January to December – as a 21% rise in PEP, the third-highest growth among top firms, suggests a strong year for the practice.

THINKING LONG TERM

The data shows that the turbulence of recent times has not stood in the way of firms' long-term development. All firms in the top quartile have seen at least a 20% boost to their top line since 2017 (not including those which have undergone mergers in that time), with many seeing even healthier growth.

Fieldfisher is one such standout, doubling its revenue in five years to £330m. The last 12 months brought further confirmation of the practice's upwards trajectory, as a 14% rise in revenue coincided with PEP surging 22% to pass the £1m mark for the first time.

Rob Shooter, who is still getting his feet under Fieldfisher's managing partner table having been elected to the role in May 2022, credits the firm's long-term thinking: 'We put in a clear sector strategy a few years back that has been successful and our ASL business Condor has produced exponential growth, as a result of a deliberate amount of investment in management time and resources. The Condor business is only going to get stronger.'

The firm's success has not gone unnoticed by the market, either. Omar Al-Nuaimi, international chief executive of Osborne Clarke (which itself has grown 66% in the last five years), commends Fieldfisher's progress: 'I find it quite interesting to watch Fieldfisher. In some ways it's quite a similar firm to us. And they seem to be being quite successful with an almost similar strategy. A different market focus, but achieving similar things to us at a similar pace to us.'

CMS has also made significant strides in recent years, and its five-year 82% revenue growth has seen it become an established presence in the top ten since its merger with Nabarro and Olswang in 2016. The firm will be particularly happy with this year's figures, as its 14% revenue rise to £644m dwarfs the 6% bump seen in 2021.

The firm's prosperity, as well as that of the likes of Taylor Wessing and Addleshaw Goddard – both of which have experienced revenue growth well above the market rate in recent years – may speak to a larger trend. The narrative of the established City stalwarts losing ground to rivals from the States is well-trodden, but perhaps those firms ought to also be worrying about challengers closer to home.

As CMS managing partner Stephen Millar says: 'To an extent, yes [leading city firms are being displaced]. The market is becoming much more open, mainly as a result of sustained investment by some of those outside the traditional Magic Circle, resulting in them becoming the optimal destination for work that historically went to the Magic Circle. We have invested heavily such that we have both scale and deep expertise across a huge number of specialist areas to be there for our clients' biggest work as well as the day to day, being equally excited about both and focusing on what clients want.'

'It's areas like the equity capital market fundraisings where things have just got pretty quiet. But that hasn't stopped transactions happening.'
Omar Al-Nuaimi, Osborne Clarke

INTO THE UNKNOWN

It is clear that the turbulence of the last six months has yet to fully hit the profession, making the coming months hard to predict. A&O's senior partner Wim Dejonghe wisely resists the temptation to prophesise: 'Before mid-October it's hard to decide on trends. Quite a few people seem optimistic, some a bit more cautious.'

Nevertheless, it doesn't take a crystal ball to observe that a slowing of the transactional market is already being felt, and it is clear that the glut of deals is beginning to dwindle. As Al-Nuaimi describes: 'It's areas like the equity capital market fundraisings where things have just got pretty quiet. But that hasn't stopped transactions happening.'

Even if the tides change, it need not be all bad. Uncertainty in the market will be music to the ears of restructuring and insolvency lawyers. Many firms highlighted distressed work as a strategic priority, with many bolstering their partner numbers. 'We have been investing on the restructuring and insolvency side with partners recently joining the firm. That is going to be a central area where people are going to need support, but we still think there's going to be plenty of transactional activity as well,' notes Freshfields London managing partner Claire Wills.

Another common observation is that the City firms may be in a better position than their peers across the pond. Finkler recounts: 'I went over to New York in May to talk to some of the law firms that we do a lot of work with and everybody was incredibly gloomy about how there was no work coming in and saying that they didn't see transactions picking up until late autumn. I nodded my head sagely thinking; "that's not how it feels over here." We all keep waiting for things to quieten down, and it just hasn't.'

Dejonghe echoes the sentiment: 'Geopolitical tensions between US and China make it more likely for global transactions to tend towards English law. Same for Middle East, It's why English firms are relatively stronger there than American firms.'

Whatever lies ahead, it cannot detract from a year that has provided yet more evidence that the legal sector can press ahead through almost anything. Shane Gleghorn, Taylor Wessing's managing partner, concludes: 'Our commitment to our sector focus is relatively unchanged by the projections about the macroeconomic environment. We believe that by remaining strong and building those areas of sectoral focus, we should be able to take more market share, even if the market in terms of deal flow is quieter in the next six to nine months.' LB

Legal Business would like to thank Keystone Law for their sponsorship of the Legal Business 100.

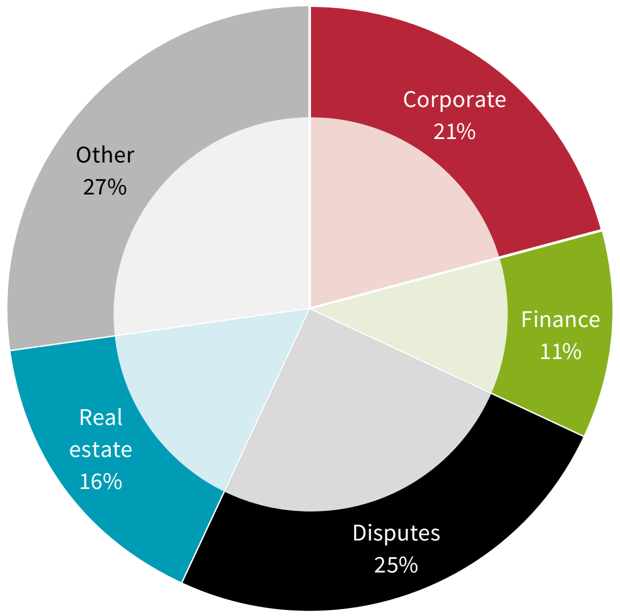
charles.avery@legalease.co.uk
@CharlesAveryLB

DEBT TO EQUITY – THE VIABILITY QUESTION

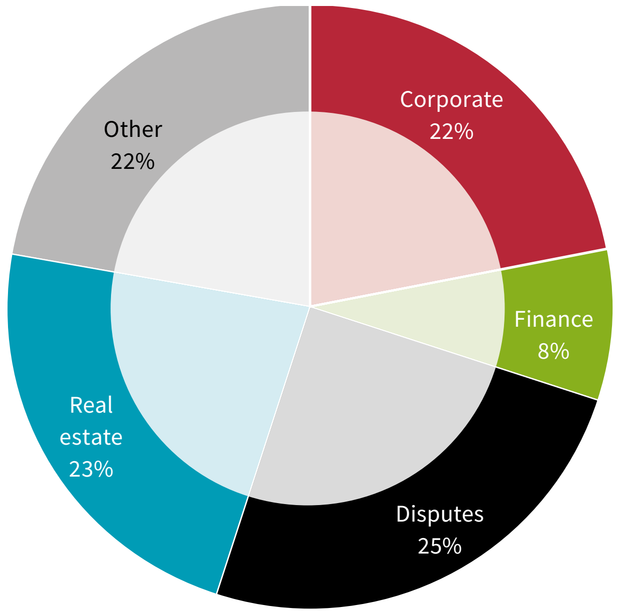
Last year we asked firms to state their debt positions for the first time and less than half of *LB100* firms provided this info. This year, the response rate is roughly the same and information remains less than forthcoming from large international firms in the Top 25. From those that did provide this information, we have calculated a debt:equity ratio by dividing total debt by net income for illustrative purposes only. As these ratios are guidelines, rather than official, we have ranked the participating firms in bands. Where firms have provided debt data two years in row, we have included a percentage change in actual debt on 2020/21 in brackets.

No debt	0-0.1	0.1-0.5	0.5-1	1.0-3.5
Addleshaw Goddard (0%)	Capsticks	Ampa	Wedlake Bell (120%)	Bevan Brittan (24%)
Brodies (0%)	Clarke Willmott (-42%)	BDB Pitmans	CMS (-1%)	Birketts
Burness Paull	Forsters	Charles Russell Speechlys	Blake Morgan (30%)	Brabners (74%)
Cripps (0%)	Harper Macleod (-21%)	Farrer & Co (-19%)	WFW (4%)	gunnercooke
DMH Stallard (0%)	HFW (-44%)	Freeths (56%)	Wiggin (-5%)	Kingsley Napley (114%)
Fieldfisher (0%)	Hill Dickinson	Howard Kennedy (123%)		RWK Goodman
Fladgate	Michelmores	Osborne Clarke (24%)		
Fox Williams	Mills & Reeve (-32%)	Shoosmiths (-93%)		
Harbottle & Lewis	TLT (-79%)	Stevens & Bolton (-12%)		
Lewis Silkin	Womble Bond Dickinson	Trowers & Hamlins (300%)		
Macfarlanes		Weightmans		
Payne Hicks Beach				
RBG				
Sacker & Partners (0%)				
Stewarts (0%)				
Walker Morris (0%)				

DISTRIBUTION OF LAWYERS BY PRACTICE AREA



BREAKDOWN OF FEE INCOME BY PRACTICE AREA



Walker Morris achieves record results through new growth strategy

Managing partner, Malcolm Simpson, explains how Walker Morris' ambitious growth strategy has driven success

Walker Morris achieved record results last year, with a turnover of more than £60m, ending 30 April 2022, compared to £55.2m the year before. This follows four years of strong growth, with revenue increasing by almost 50% since 1 May 2017. Managing partner Malcolm Simpson explains how this follows the launch of the firm's new strategy and what we can expect from the firm in the coming years.

WALKER MORRIS HAS DEMONSTRATED STRONG REVENUE GROWTH OVER THE LAST YEAR. WHAT DO YOU ATTRIBUTE THIS SUCCESS TO?

In 2021 we launched Ambition 24, our three-year growth strategy. It sets out ambitious goals and moves us away from the 'traditional' law firm reputation.

Revenue growth is important – but it's more than that. We're developing our capability, our client offering, our people. We've made a record number of lateral hires in the past year, and made 21 promotions across ten teams. Growth enables us to support more people into partnership, and earlier, than ever.

We've also launched our new brand, with a renewed purpose, vision and values, and a focus on our people. Because our success is a testament to everyone's hard work. I truly believe that the more ownership and autonomy given to employees, the greater their level of engagement. We trust our teams to deliver and give them the space to do so.

THE FIRM HAS INTRODUCED A NUMBER OF NEW TEAM INITIATIVES OVER THE PAST YEAR, CAN YOU TALK THROUGH SOME OF THESE?

We're been developing our Sustainable Careers proposition, which supports people to meet their aspirations over a lifelong career.

We expose our people to top flight, City-calibre work from day one. We help them make their own connections and learn to build a practice. Our lawyers thrive in this high-performance environment, but it brings certain demands. We help our teams manage the inevitable pressures, while building long-term careers aligned with their individual ambitions. As an example, late last year, we launched our sabbatical scheme, which entitles all our solicitors to up to four weeks paid leave (in addition to annual holiday), occurring every two or three years.

We also want to develop new legal talent, opening up routes into law for as many people as possible. To help us understand – and combat – the barriers young people face, we recently surveyed 2,000 14-18 year olds to uncover their perceptions of the legal industry and what may deter them from considering a future within it. With this insight, we'll keep developing our work with schools and universities to tackle social barriers. Through our relationship with Ahead Partnership, we're already working with Bishop Young High School in Leeds, delivering assemblies, 'speed networking' sessions and bringing students into our offices.

We've implemented RARE, a contextual recruitment system, which identifies the most disadvantaged candidates and those outperforming their schools. We'll use RARE to increase the amount of interviews and trainee appointments of those from underrepresented backgrounds.

We've also recently appointed a new D&I manager, who'll work with our staff networks and ensure we're making positive change.

SO WHAT'S NEXT?

Ambition 24 provides a strong vision for the future. We're aiming to reach £70m in revenue in the next two years by focusing on the strategy's three pillars – clients, delivery, talent.

To better support clients, we're launching COMP&SS (clients, opportunities, matters, pitches & sharing success), our CRM strategy. It will empower everyone to better understand their clients, develop their BD skills and, importantly, celebrate success.

We're continuously improving our service delivery, and will increase our investment in technology to support that. We're about to embark on an ambitious data project, to better harness data for our clients' and the firm's benefit.

It's important to our clients and people that we're a responsible business. We published our first Positive Impact Report earlier this year, and set out our ambitions for the coming year. I've already talked about some, but I'd add that we've committed to produce a meaningful plan to achieve Net Zero.

Lastly, we're looking at how we provide the very best working environment. We moved into new offices in 2019, six months before the first lockdown, and they were designed as a fully agile, flexible space. We're re-thinking this space to encourage more flexibility and collaboration – while recognising that lawyers always need quiet areas!

It's set to be a busy but exciting year. Growth means we can keep investing more into our people and resources. We are, and will continue to be, focused on making sure we provide an exciting, dynamic environment where our people can develop. I'm looking forward to how we can make our new vision a reality and push forward with our Ambition 24 strategy.

For more information, please contact:

Malcolm Simpson, managing partner

Walker Morris
33 Wellington Street
Leeds
LS1 4DL

T: 0113 283 2500
E: hello@walkermorris.co.uk

www.walkermorris.co.uk

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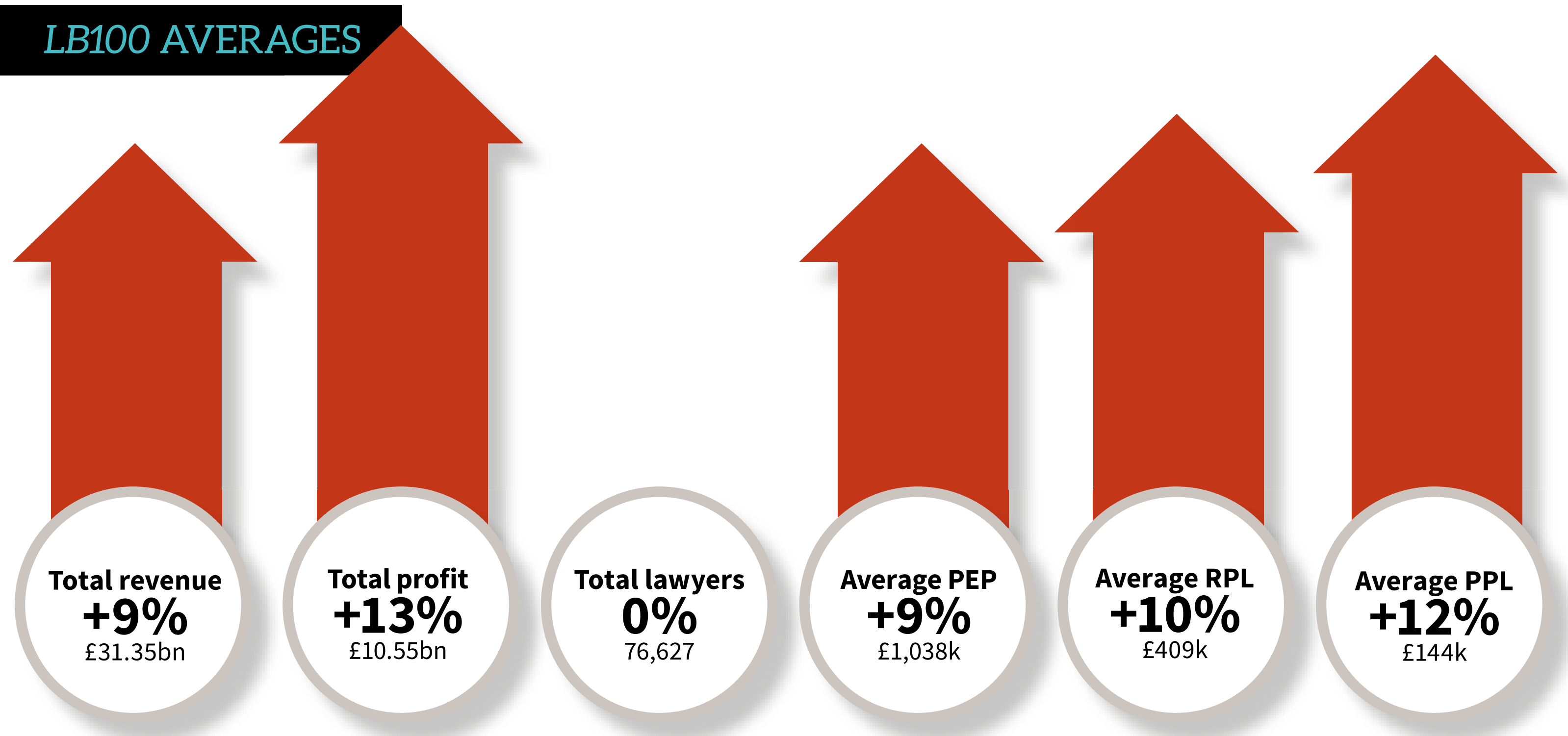
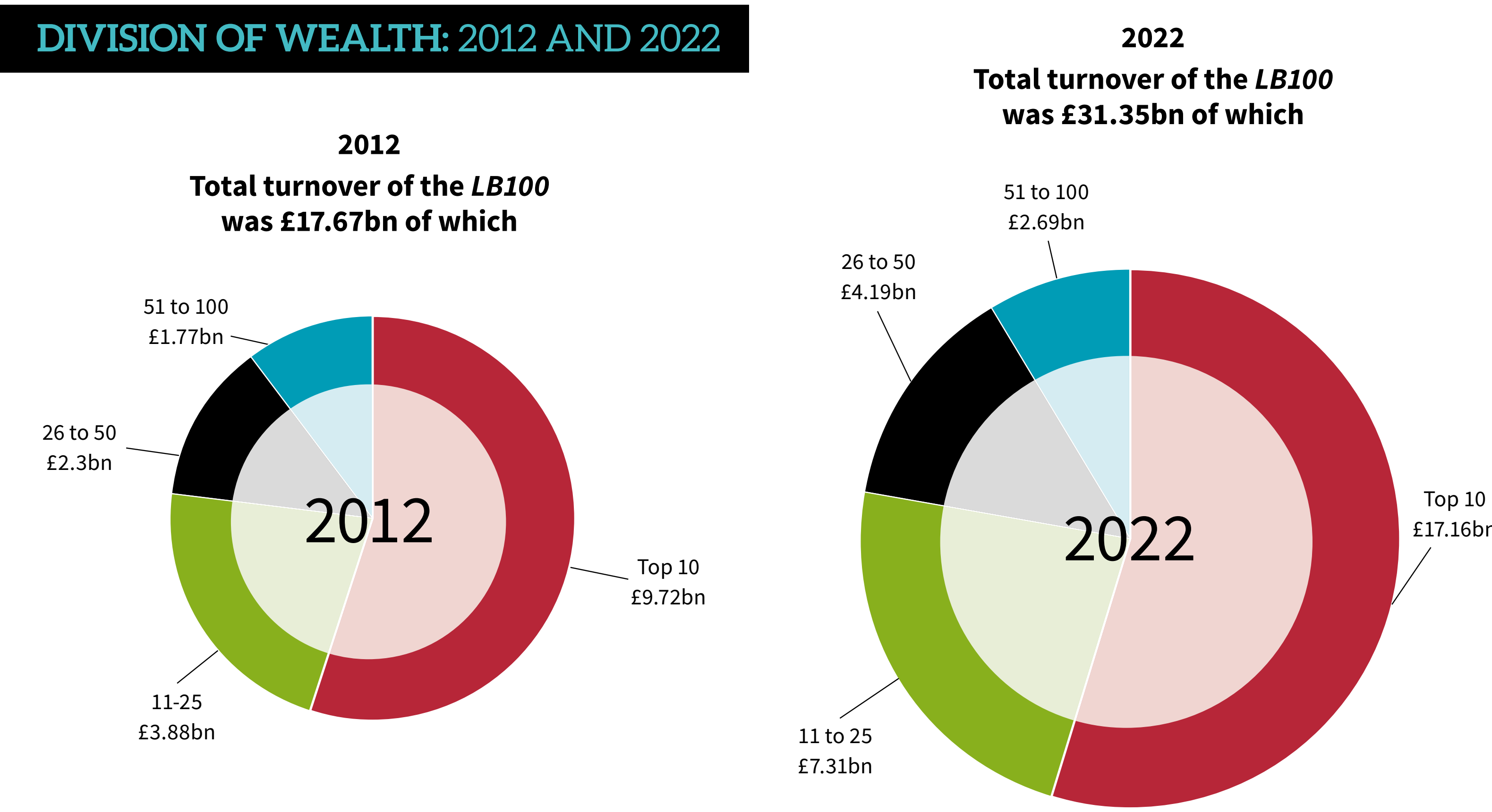
DISTRIBUTION OF LAWYERS BY REGION

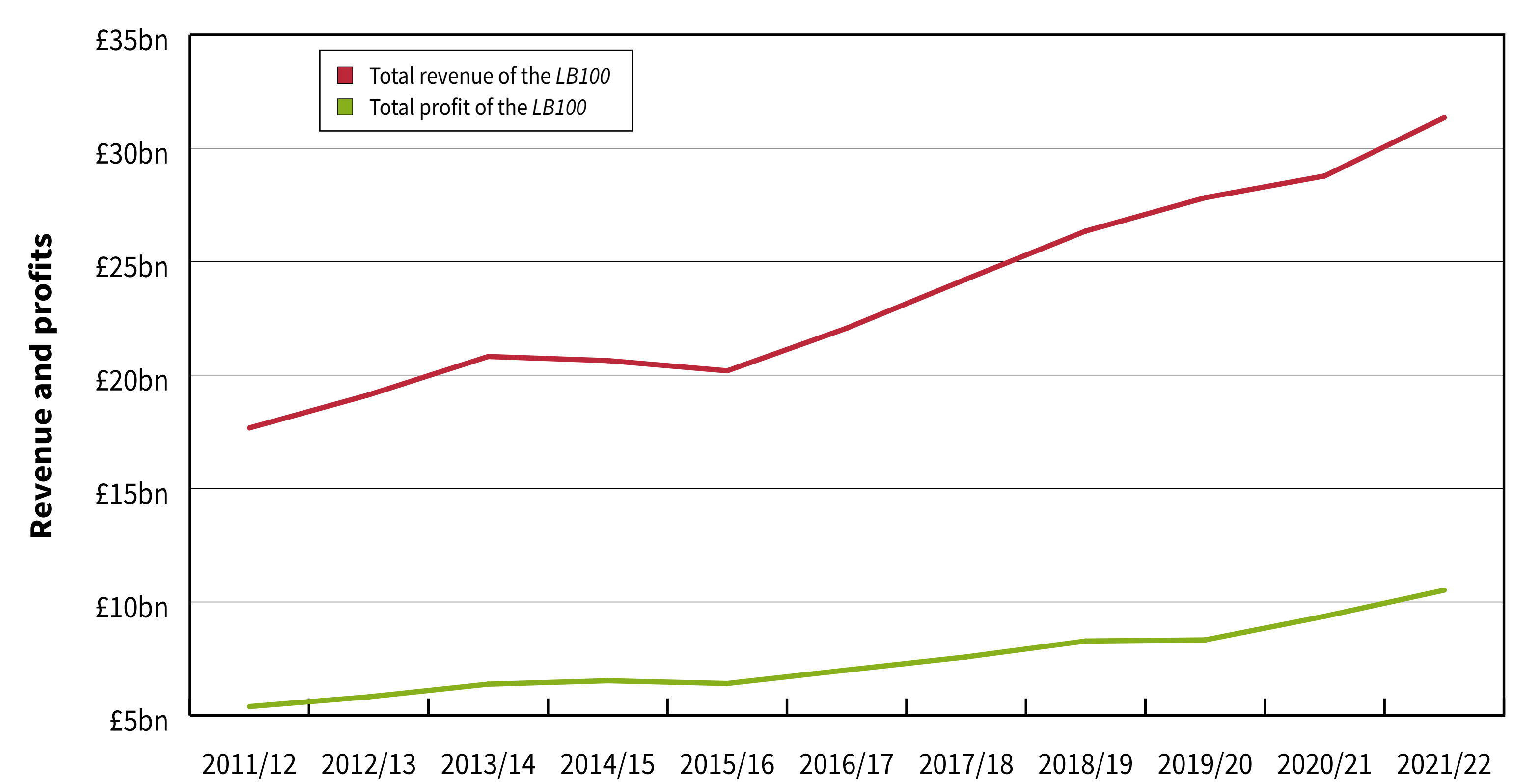
LB100 AVERAGES



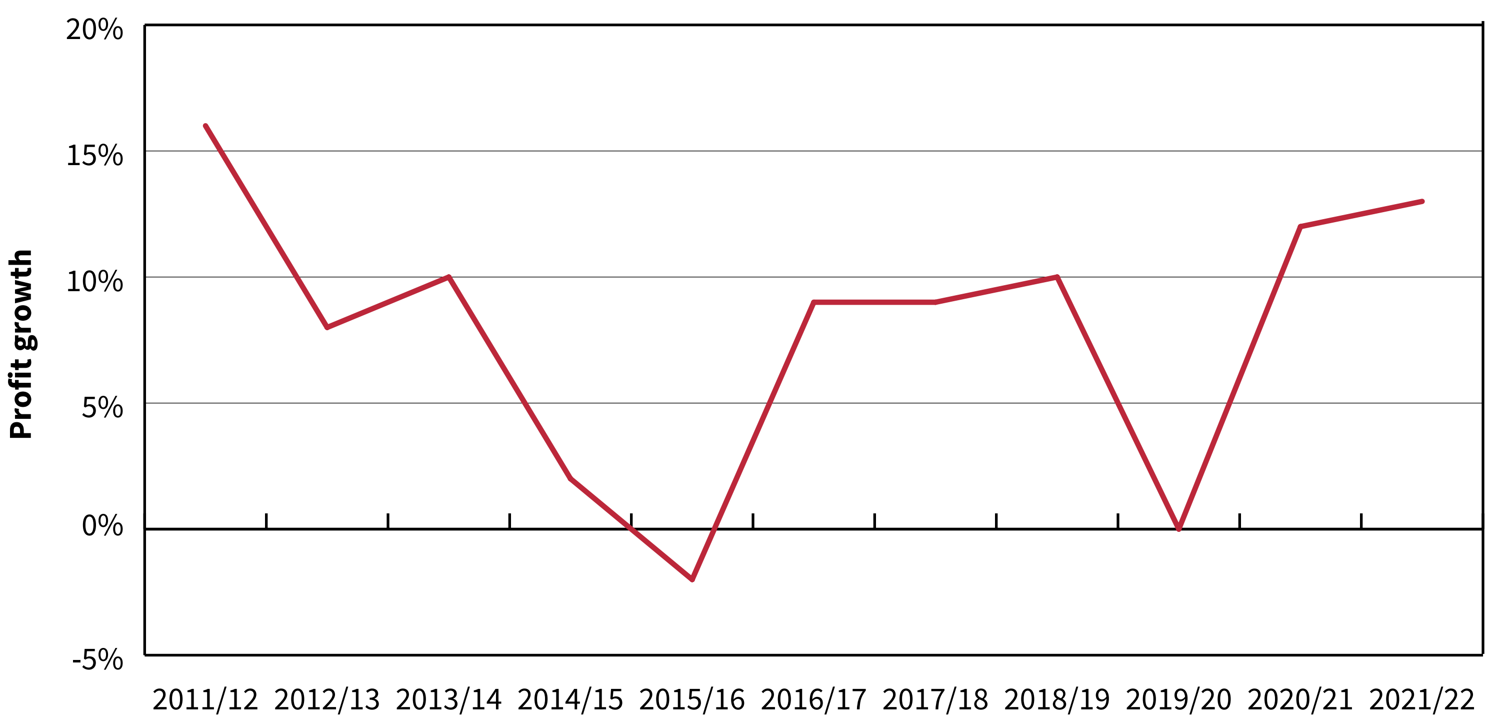
DIVISION OF WEALTH: 2012 AND 2022



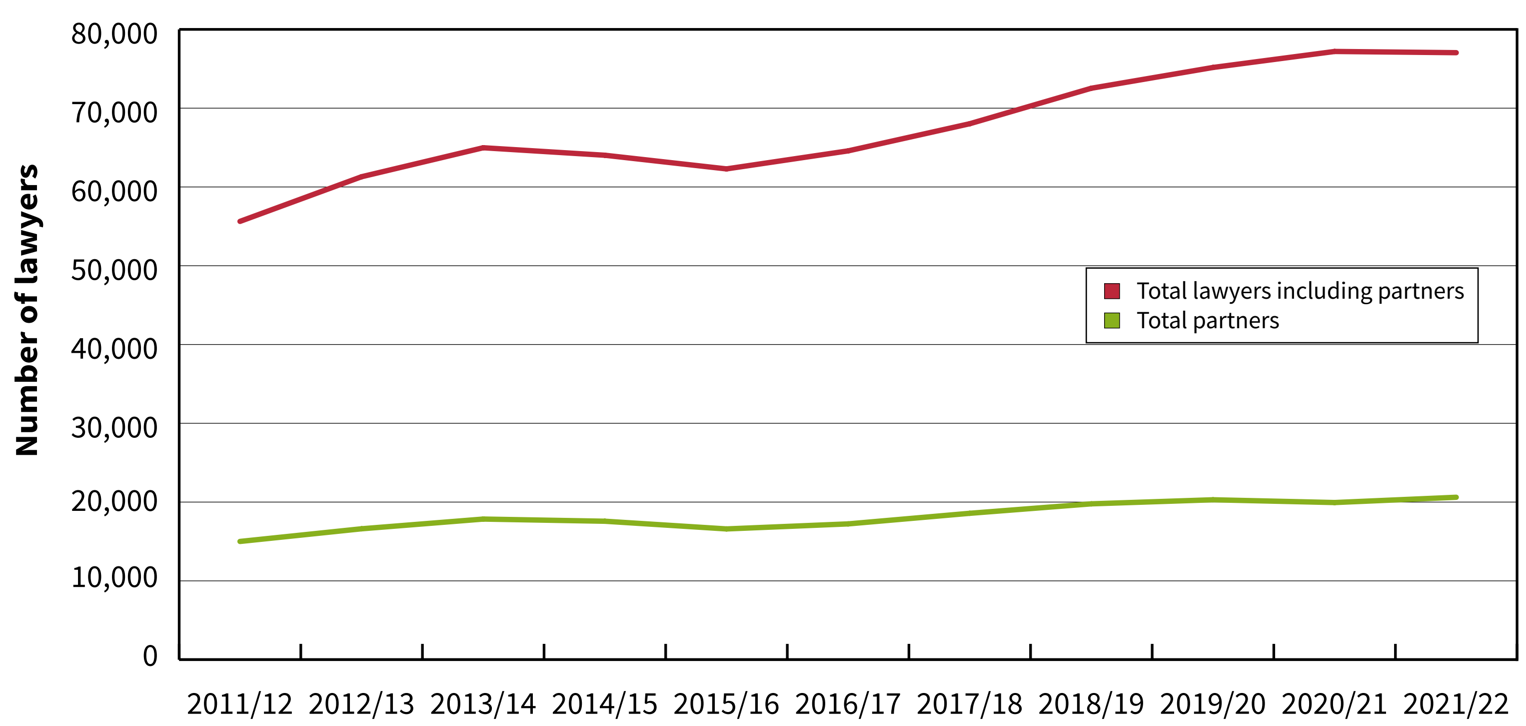
LB100 TOTAL REVENUE AND PROFITS: THE PAST TEN YEARS



ANNUAL CHANGE IN TOTAL PROFITS ACROSS THE *LB100*



LB100 HEADCOUNTS: THE PAST TEN YEARS



Concerned about your PEP in market uncertainty?

Join a firm where PEP means Performance Equals (more) Pay

The last two years have seen enormous growth in the legal market. With reports of record profits for many firms, particularly in the top 100, equity partners have enjoyed a considerable boost to their earnings. However, the need to resource this surge in demand for legal services has created a battle for talent and a consequent increase in the salaries of employees and non-equity partners, in order to attract and retain that talent.

The desire to sustain those earnings and the need to justify those salaries has driven an increase in billing targets and added yet further pressure on individual lawyers to perform.

While the recent financial performance of law firms has been exceptional, the wider economy is facing significant head winds, and law firms are not immune to the impending economic downturn. Increased interest rates for firms carrying a lot of debt, together with higher energy bills, will add to the costs of inflated salaries, paid during these recent boom times. With the demand for legal services likely to fall over the short-to-medium term, the loss of revenue to support those fixed costs will squeeze profits and impact the earnings of equity partners.

The pressure on firms to retain their 'profit per equity partner' will be felt from top to bottom, creating tensions and exacerbating the internal politics which derive from the sense of entitlement of some and the consequent feeling of unfairness among the others. The respective contributions of individual partners to the collective pot will come into sharp focus. Those putting in more than they are taking out might perhaps consider their position within the partnership and more generally the fairness of the traditional law firm model.

While the partnership model has been the mainstay of the legal market for centuries, the emergence of the consultancy model of law firms over the last 20 years has given lawyers a credible alternative through which to practice. Offering remuneration which is performance based through a fee-sharing arrangement has been the driver for growth, attracting lawyers who seek to be fairly rewarded for their expertise in an environment which is meritocratic. And lawyers have been turning to them in their droves. In fact, Arden Partners produced a report last year showing that the number of consultant lawyers is growing at a compound annual growth rate of 21%.

EARN MORE FOR THE WORK THAT YOU DO

At Keystone Law, we have rethought the law firm model to put lawyers back into the driving seat of their careers. Senior lawyers are rewarded fairly for the business they generate and the work they do, through a simple and transparent remuneration structure that applies to everyone.

Keystone lawyers take home 75% of their billings if they are acting for clients they introduce to the firm. They take home 60% of their billings if they are acting for clients introduced to the firm by a colleague. Colleagues who refer their clients to others take home 15% of the fees generated by such referrals. This creates a sense of fairness and equity across the firm but also provides a financial incentive for greater collaboration. Under this model, lawyers have complete autonomy and control over their practice. They can decide when and where, and with whom and for whom, they work, without interference from management.

'Keystone lawyers take home 75% of their billings if they are acting for clients they introduce to the firm.'

Crucially, Keystone does not set billing targets and it gives its lawyers complete control of their most valuable assets – their clients. Together with a greater ability to be financially rewarded for the investment they make in their practice and clients, Keystone lawyers are motivated to perform to the best of their ability, on their terms.

No longer do lawyers have to be a slave to billing targets, attend unnecessary committee and management meetings or adhere to office politics. When joining Keystone, lawyers can focus exclusively on providing a top-rate service to their clients without exception.

James Knight, chief executive officer
Keystone Law

COULD AND SHOULD YOU BE EARNING MORE?

Are you being fairly remunerated for the work that you do? Scan the QR code to answer eight simple questions and find out how your life could change at Keystone Law.

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www.lawsetfree.com

Sponsored briefing

LB100 1-25

Rank (change on 2021); firm HQ; headcounts	TURNOVER 2022	(change from 2021	Change (2017-22)	PROFIT MARGIN	REVENUE GENERATION Revenue per lawyer	- Cost per lawyer	= Profit per lawyer	PEP 2022	(change from 2021)
1 (0) **DLA Piper***[1] International, 490 equity ptnrs, 814 non-equity ptnrs, 4,585 total lawyers	£2,642m	(22%)	58%	30%	£576k	- £404k	=£172,000	£1,612,000	(35%)
2 (0) **Clifford Chance** International, 383 equity ptnrs, 182 non-equity ptnrs, 3,047 total lawyers	£1,969m	(8%)	28%	40%	£646k	- £390k	=£256,000	£2,040,000	(10%)
3 (+1) **Allen & Overy** International, 462 equity ptnrs, 132 non-equity ptnrs, 2,462 total lawyers	£1,942m	(10%)	28%	46%	£789k	- £423k	=£366,000	£1,948,000	(3%)
4 (-1) **Hogan Lovells** International, 391 equity ptnrs, 384 non-equity ptnrs, 2,802 total lawyers	£1,895m	(6%)	33%	37%	£676k	- £424k	=£252,000	£1,806,000	(18%)
5 (0) **Linklaters** International, 467 equity ptnrs, 29 non-equity ptnrs, 2,837 total lawyers	£1,782.8m	(7%)	24%	49%	£628k	- £321k	=£307,000	£1,871,000	(6%)
6 (0) **Freshfields Bruckhaus Deringer** London, 439 equity ptnrs, 0 non-equity ptnrs, 2,009 total lawyers	£1,701m	(7%)	28%	53%	£847k	- £394k	=£452,000	£2,070,000	(8%)
7 (0) **Norton Rose Fulbright*** International, 657 equity ptnrs, 416 non-equity ptnrs, 3,296 total lawyers	£1,529m	(5%)	23%	33%	£464k	- £311k	=£153,000	£769,000	(2%)
8 (0) **CMS*** International, 684 equity ptnrs, 499 non-equity ptnrs, 4,640 total lawyers	£1,500.9m	(14%)	82%	35%	£323k	- £209k	=£114,000	£773,000	(10%)
9 (0) **Herbert Smith Freehills** International, 328 equity ptnrs, 133 non-equity ptnrs, 2,434 total lawyers	£1,103m	(6%)	20%	35%	£453k	- £297k	=£157,000	£1,162,000	(6%)
10 (0) **Eversheds Sutherland***[2] International, 242 equity ptnrs, 582 non-equity ptnrs, 3,439 total lawyers	£1,095m	(10%)	n/a	27%	£318k	- £234k	=£84,000	£1,200,000	(22%)
11 (0) **Ashurst** International, 241 equity ptnrs, 206 non-equity ptnrs, 1,877 total lawyers	£798m	(12%)	48%	35%	£425k	- £274k	=£151,000	£1,175,000	(13%)
12 (0) **Slaughter and May**† London, 102 equity ptnrs, 8 non-equity ptnrs, 747 total lawyers	£759m	(10%)	41%	47%	£1016k	- £538k	=£478,000	£3,500,000	(9%)
13 (+1) **Clyde & Co**[3] London, 225 equity ptnrs, 213 non-equity ptnrs, 2,015 total lawyers	£650m	(2%)	43%	25%	£323k	- £244k	=£79,000	£708,000	(-1%)
14 (-1) **Bryan Cave Leighton Paisner** London, 211 equity ptnrs, 280 non-equity ptnrs, 1,369 total lawyers	£640.6m	(-4%)	n/a	26%	£468k	- £347k	=£121,000	£788,000	(21%)
15 (0) **Pinsent Masons** International, 180 equity ptnrs, 275 non-equity ptnrs, 1,895 total lawyers	£531.1m	(6%)	26%	25%	£280k	- £211k	=£69,000	£724,000	(15%)
16 (0) **Gowling WLG*** International, 153 equity ptnrs, 202 non-equity ptnrs, 1,375 total lawyers	£509m	(7%)	30%	30%	£370k	- £258k	=£112,000	£399,000	(5%)
17 (0) **Simmons & Simmons** London, 185 equity ptnrs, 113 non-equity ptnrs, 1,069 total lawyers	£465m	(6%)	47%	40%	£435k	- £262k	=£173,000	£1,000,000	(1%)
18 (0) **Bird & Bird** International, 153 equity ptnrs, 200 non-equity ptnrs, 1,456 total lawyers	£445.6m	(11%)	47%	22%	£306k	- £237k	=£69,000	£654,000	(7%)
19 (+1) **Taylor Wessing**[3]* London, 250 equity ptnrs, 79 non-equity ptnrs, 1,165 total lawyers	£420.6m	(13%)	56%	48%	£361k	- £189k	=£172,000	£800,000	(17%)
20 (-1) **Womble Bond Dickinson*** National, 218 equity ptnrs, 171 non-equity ptnrs, 888 total lawyers	£379m	(2%)	n/a	27%	£427k	- £312k	=£115,000	£468,000	(9%)
21 (+1) **Addleshaw Goddard** National, 119 equity ptnrs, 176 non-equity ptnrs, 1,141 total lawyers	£377m	(18%)	91%	27%	£330k	- £240k	=£90,000	£866,000	(2%)
22 (-1) **DWF**[4] National, 99 equity ptnrs, 260 non-equity ptnrs, 1,428 total lawyers	£350m	(4%)	74%	n/a	£245k	- n/a	n/a	n/a	(n/a)
23 (0) **Osborne Clarke**[5] Bristol, 197 equity ptnrs, 101 non-equity ptnrs, 1,144 total lawyers	£346.6m	(13%)	66%	45%	£303k	- £166k	=£137,000	£796,000	(11%)
24 (0) **Fieldfisher*** London, 99 equity ptnrs, 189 non-equity ptnrs, 880 total lawyers	£332m	(14%)	101%	31%	£377k	- £259k	=£118,000	£1,051,000	(22%)
25 (+3) **Macfarlanes** London, 58 equity ptnrs, 32 non-equity ptnrs, 464 total lawyers	£303.7m	(16%)	81%	48%	£655k	- £343k	=£312,000	£2,493,000	(24%)

† No financial information provided by the firm.

* Firm is structured as a Swiss Verein or EEIG.

LB100 26-50

Rank (change on 2021); firm HQ; headcounts	TURNOVER 2022	(change from 2021)	Change (2017-22)	PROFIT MARGIN	REVENUE GENERATION Revenue per lawyer	- Cost per lawyer	= Profit per lawyer	PEP 2022	(change from 2021)
26 (+1) **Kennedys** London, 118 equity ptnrs, 177 non-equity ptnrs, 1,082 total lawyers	£284.7m	(8%)	90%	22%	£263k	- £206k	=£57,000	£526,000	(-19%)
27 (-1) **DAC Beachcroft** National, 100 equity ptnrs, 214 non-equity ptnrs, 1,331 total lawyers	£280m	(2%)	36%	22%	£210k	- £164k	=£47,000	£620,000	(-12%)
28 (-3) **Irwin Mitchell**[6] National, 79 equity ptnrs, 155 non-equity ptnrs, 894 total lawyers	£275.7m	(0%)	17%	8%	£308k	- £285k	=£24,000	£268,000	(n/a)
29 (0) **Withers** International, 81 equity ptnrs, 117 non-equity ptnrs, 652 total lawyers	£267m	(10%)	53%	20%	£410k	- £326k	=£83,000	£670,000	(2%)
30 (+2) **Mishcon de Reya** London, 57 equity ptnrs, 99 non-equity ptnrs, 509 total lawyers	£230.7m	(23%)	52%	26%	£453k	- £336k	=£118,000	£1,050,000	(11%)
31 (-1) **Stephenson Harwood** London, 78 equity ptnrs, 101 non-equity ptnrs, 577 total lawyers	£206m	(0%)	17%	26%	£357k	- £263k	=£94,000	£692,000	(1%)
32 (-1) **HFW** London, 82 equity ptnrs, 94 non-equity ptnrs, 535 total lawyers	£198.7m	(-1%)	20%	27%	£371k	- £270k	=£102,000	£665,000	(-2%)
33 (0) **Travers Smith** London, 58 equity ptnrs, 27 non-equity ptnrs, 454 total lawyers	£195.2m	(5%)	56%	32%	£430k	- £290k	=£140,000	£1,093,000	(-9%)
34 (0) **Watson Farley & Williams** London, 105 equity ptnrs, 67 non-equity ptnrs, 592 total lawyers	£189.7m	(7%)	19%	31%	£320k	- £220k	=£101,000	£567,000	(2%)
35 (+1) **Shoosmiths** National, 41 equity ptnrs, 178 non-equity ptnrs, 633 total lawyers	£182m	(8%)	56%	15%	£288k	- £243k	=£44,000	£683,000	(5%)
36 (-1) **Charles Russell Speechlys** London, 77 equity ptnrs, 91 non-equity ptnrs, 546 total lawyers	£178.3m	(3%)	24%	22%	£327k	- £253k	=£73,000	£521,000	(-1%)
37 (0) **RPC** London, 76 equity ptnrs, 33 non-equity ptnrs, 438 total lawyers	£149.4m	(10%)	45%	29%	£341k	- £242k	=£99,000	£571,000	(-10%)
38 (+4) **TLT** Bristol, 39 equity ptnrs, 104 non-equity ptnrs, 514 total lawyers	£144m	(31%)	93%	22%	£280k	- £218k	=£63,000	£826,000	(38%)
39 (0) **Gateley**[7] Birmingham, 0 equity ptnrs, 148 non-equity ptnrs, 507 total lawyers	£137m	(13%)	77%	n/a	£270k	- n/a	n/a	n/a	(n/a)
40 (-2) **Mills & Reeve** National, 89 equity ptnrs, 44 non-equity ptnrs, 543 total lawyers	£131.2m	(5%)	41%	32%	£242k	- £164k	=£77,000	£471,000	(5%)
41 (-1) **Trowers & Hamlins** London, 79 equity ptnrs, 73 non-equity ptnrs, 471 total lawyers	£126m	(13%)	30%	26%	£268k	- £198k	=£69,000	£414,000	(20%)
42 (+3) **Knights**[8] National, 0 equity ptnrs, 258 non-equity ptnrs, 679 total lawyers	£125.6m	(22%)	n/a	15%	£185k	- £158k	=£27,000	n/a	(n/a)
43 (+10) **Hill Dickinson** Liverpool, 55 equity ptnrs, 73 non-equity ptnrs, 474 total lawyers	£119.4m	(25%)	17%	29%	£252k	- £178k	=£74,000	£636,000	(n/a)
44 (-1) **Burges Salmon** Bristol, 73 equity ptnrs, 23 non-equity ptnrs, 457 total lawyers	£119.2m	(10%)	37%	32%	£261k	- £178k	=£83,000	£519,000	(1%)
45 (+10) **Stewarts** London, 21 equity ptnrs, 50 non-equity ptnrs, 191 total lawyers	£113.8m	(43%)	46%	51%	£596k	- £292k	=£304,000	£2,767,000	(93%)
46 (0) **Freeths** Midlands, 36 equity ptnrs, 114 non-equity ptnrs, 431 total lawyers	£112m	(9%)	56%	20%	£260k	- £207k	=£53,000	£636,000	(24%)
47 (-3) **Keoghs**[9] Bolton, 23 equity ptnrs, 120 non-equity ptnrs, 457 total lawyers	£111.1m	(6%)	65%	n/a	£243k	- n/a	n/a	n/a	(n/a)
48 (0) **Weightmans** National, 38 equity ptnrs, 144 non-equity ptnrs, 608 total lawyers	£103.2m	(5%)	9%	11%	£170k	- £151k	=£19,000	£297,000	(12%)
49 (0) **Penningtons Manches Cooper** London, 43 equity ptnrs, 100 non-equity ptnrs, 402 total lawyers	£100m	(3%)	44%	22%	£249k	- £195k	=£53,000	£500,000	(27%)
50 (+2) **Brodies** Scotland, 38 equity ptnrs, 73 non-equity ptnrs, 431 total lawyers	£98.5m	(19%)	48%	31%	£229k	- £157k	=£71,000	£811,000	(21%)

† No financial information provided by the firm.

* Firm is structured as a Swiss Verein or EEIG.

LB100 51-75

Rank (change on 2021); firm HQ; headcounts	TURNOVER 2022	(change from 2021)	Change (2017-22)	PROFIT MARGIN	REVENUE GENERATION Revenue per lawyer	- Cost per lawyer	= Profit per lawyer	PEP 2022	(change from 2021)
51 (-4) **Ince** London, 70 equity ptnrs, 29 non-equity ptnrs, 329 total lawyers	£97m	(-3%)	n/a	19%	£295k	- £238k	=£57,000	£266,000	(-10%)
52 (-1) **Browne Jacobson** Nottingham, 24 equity ptnrs, 132 non-equity ptnrs, 579 total lawyers	£93.9m	(10%)	33%	13%	£162k	- £141k	=£21,000	£500,000	(3%)
53 (-12) **Slater and Gordon**[10†] National, 0 equity ptnrs, 0 non-equity ptnrs, 280 total lawyers	£91.1m	(-18%)	n/a	n/a	£325k	- n/a	n/a	n/a	(n/a)
54 (0) **Farrer & Co** London, 36 equity ptnrs, 48 non-equity ptnrs, 263 total lawyers	£87.3m	(9%)	46%	26%	£332k	- £245k	=£87,000	£633,000	(3%)
55 (n/a) **Ampa**[11] Birmingham, 35 equity ptnrs, 79 non-equity ptnrs, 509 total lawyers	£80.4m	(n/a)	n/a	15%	£160k	- £136k	=£24,000	£346,000	(n/a)
56 (0) **Burness Paull** Scotland, 40 equity ptnrs, 36 non-equity ptnrs, 337 total lawyers	£78.6m	(9%)	46%	37%	£233k	- £147k	=£87,000	£730,000	(0%)
57 (0) **Birketts** Ipswich, 41 equity ptnrs, 51 non-equity ptnrs, 435 total lawyers	£77.6m	(11%)	83%	22%	£178k	- £139k	=£39,000	£417,000	(-4%)
58 (+2) **Lewis Silkin** London, 74 equity ptnrs, 0 non-equity ptnrs, 262 total lawyers	£74m	(18%)	65%	42%	£282k	- £163k	=£119,000	£422,000	(9%)
59 (0) **Harrison Clark Rickerbys**† National, 29 equity ptnrs, 139 non-equity ptnrs, 321 total lawyers	£70m	(8%)	n/a	20%	£218k	- £175k	=£43,000	£475,000	(6%)
60 (+8) **Keystone Law** [12] London, 0 equity ptnrs, 0 non-equity ptnrs, 481 total lawyers	£69.6m	(27%)	n/a	n/a	£145k	- n/a	n/a	n/a	(n/a)
61 (+1) **Forsters** London, 35 equity ptnrs, 23 non-equity ptnrs, 220 total lawyers	£69.4m	(15%)	43%	25%	£315k	- £237k	=£78,000	£491,000	(15%)
62 (+11) **Fladgate** London, 21 equity ptnrs, 64 non-equity ptnrs, 190 total lawyers	£67.4m	(32%)	37%	28%	£355k	- £256k	=£99,000	£895,000	(39%)
63 (+7) **JMW** Manchester, 24 equity ptnrs, 108 non-equity ptnrs, 374 total lawyers	£66.6m	(25%)	n/a	24%	£178k	- £136k	=£42,000	£654,000	(15%)
64 (-1) **Shepherd and Wedderburn** Scotland, 38 equity ptnrs, 34 non-equity ptnrs, 265 total lawyers	£62.2m	(5%)	23%	32%	£235k	- £160k	=£75,000	£521,000	(3%)
65 (-4) **Blake Morgan** National, 32 equity ptnrs, 61 non-equity ptnrs, 308 total lawyers	£61.9m	(0%)	-17%	14%	£201k	- £173k	=£28,000	£266,000	(14%)
66 (+1) **Walker Morris** Leeds, 34 equity ptnrs, 17 non-equity ptnrs, 207 total lawyers	£61m	(11%)	47%	41%	£295k	- £174k	=£121,000	£735,000	(-9%)
67 (-2) **Howard Kennedy** London, 53 equity ptnrs, 3 non-equity ptnrs, 174 total lawyers	£60.5m	(6%)	18%	28%	£348k	- £252k	=£96,000	£315,000	(-10%)
68 (-2) **Bevan Brittan** Bristol, 18 equity ptnrs, 74 non-equity ptnrs, 270 total lawyers	£60.1m	(7%)	54%	20%	£223k	- £177k	=£45,000	£678,000	(7%)
69 (+2) **Clarke Willmott** Bristol, 29 equity ptnrs, 84 non-equity ptnrs, 255 total lawyers	£59.6m	(12%)	38%	21%	£234k	- £185k	=£48,000	£424,000	(17%)
70 (+5) **Capsticks** London, 21 equity ptnrs, 37 non-equity ptnrs, 307 total lawyers	£56.1m	(13%)	49%	19%	£183k	- £148k	=£35,000	£505,000	(-4%)
71 (+5) **Kingsley Napley** London, 19 equity ptnrs, 50 non-equity ptnrs, 216 total lawyers	£55.2m	(15%)	50%	12%	£256k	- £226k	=£30,000	£337,000	(-13%)
72 (-8) **Thompsons**† National, 22 equity ptnrs, 21 non-equity ptnrs, 215 total lawyers	£54.7m	(-7%)	-19%	5%	£254k	- £241k	=£13,000	£132,000	(-3%)
73 (+1) **Foot Anstey** Exeter, 15 equity ptnrs, 30 non-equity ptnrs, 221 total lawyers	£53.5m	(8%)	40%	13%	£242k	- £210k	=£32,000	£474,000	(-1%)
74 (-5) **BDB Pitmans** London, 50 equity ptnrs, 20 non-equity ptnrs, 235 total lawyers	£53.3m	(-3%)	n/a	22%	£227k	- £177k	=£49,000	£232,000	(-6%)
75 (-3) **Bristows** London, 40 equity ptnrs, 0 non-equity ptnrs, 174 total lawyers	£50.9m	(-2%)	24%	36%	£293k	- £189k	=£104,000	£453,000	(-12%)

† No financial information provided by the firm.

* Firm is structured as a Swiss Verein or EEIG.

LB100 76-100

Rank (change on 2021); firm HQ; headcounts	TURNOVER 2022	(change from 2021)	Change (2017-22)	PROFIT MARGIN	REVENUE GENERATION Revenue per lawyer	- Cost per lawyer	= Profit per lawyer	PEP 2022	(change from 2021)
76 (+1) **Ashfords** Exeter, 22 equity ptnrs, 52 non-equity ptnrs, 323 total lawyers	£48.8m	(2%)	20%	24%	£151k	- £115k	=£37,000	£536,000	(17%)
77 (+1) **Harbottle & Lewis** London, 20 equity ptnrs, 22 non-equity ptnrs, 123 total lawyers	£48.5m	(8%)	73%	37%	£394k	- £250k	=£145,000	£890,000	(n/a)
78 (n/a) **gunnercooke**[13] London, 0 equity ptnrs, 283 non-equity ptnrs, 363 total lawyers	£48m	(n/a)	n/a	12%	£132k	- £116k	=£16,000	n/a	(n/a)
79 (+7) **Wiggin** London, 25 equity ptnrs, 17 non-equity ptnrs, 118 total lawyers	£47.1m	(26%)	n/a	34%	£399k	- £263k	=£136,000	£644,000	(11%)
80 (+9) **Wedlake Bell** London, 17 equity ptnrs, 50 non-equity ptnrs, 180 total lawyers	£44.3m	(21%)	31%	14%	£246k	- £213k	=£33,000	£353,000	(0%)
81 (0) **Devonshires** London, 14 equity ptnrs, 36 non-equity ptnrs, 135 total lawyers	£43.5m	(10%)	n/a	n/a	£322k	- n/a	=n/a	n/a	(n/a)
82 (n/a) **RBG**[14] London, 0 equity ptnrs, 47 non-equity ptnrs, 125 total lawyers	£43.4m	(n/a)	n/a	n/a	£347k	- n/a	=n/a	n/a	(n/a)
83 (-1) **Ward Hadaway** Newcastle, 15 equity ptnrs, 78 non-equity ptnrs, 289 total lawyers	£43m	(11%)	20%	13%	£149k	- £129k	=£20,000	£380,000	(30%)
84 (-4) **Veale Wasbrough Vizards** Bristol, 23 equity ptnrs, 59 non-equity ptnrs, 238 total lawyers	£42.4m	(2%)	31%	16%	£178k	- £149k	=£29,000	£296,000	(-40%)
85 (-2) **Cripps** South East, 33 equity ptnrs, 30 non-equity ptnrs, 176 total lawyers	£41.5m	(9%)	n/a	24%	£236k	- £178k	=£57,000	£306,000	(20%)
86 (-1) **Michelmores** Exeter, 28 equity ptnrs, 38 non-equity ptnrs, 185 total lawyers	£41.4m	(9%)	15%	25%	£224k	- £167k	=£57,000	£375,000	(7%)
87 (n/a) **RWK Goodman**[15] Bath, 33 equity ptnrs, 20 non-equity ptnrs, 204 total lawyers	£40.5m	(10%)	n/a	20%	£199k	- £159k	=£39,000	£242,000	(-4%)
88 (-1) **Brabners** Liverpool, 21 equity ptnrs, 53 non-equity ptnrs, 219 total lawyers	£40.3m	(9%)	39%	18%	£184k	- £151k	=£33,000	£343,000	(9%)
89 (-10) **Winckworth Sherwood** London, 14 equity ptnrs, 56 non-equity ptnrs, 168 total lawyers	£40m	(-5%)	0%	16%	£238k	- £200k	=£38,000	£457,000	(-11%)
90 (+1) **Moore Barlow** South East, 68 equity ptnrs, 2 non-equity ptnrs, 194 total lawyers	£39.9m	(12%)	n/a	41%	£206k	- £121k	=£84,000	£241,000	(n/a)
91 (-7) **Russell-Cooke** London, 60 equity ptnrs, 0 non-equity ptnrs, 193 total lawyers	£39m	(3%)	14%	33%	£202k	- £135k	=£67,000	£217,000	(-9%)
92 (-2) **Payne Hicks Beach** London, 24 equity ptnrs, 10 non-equity ptnrs, 86 total lawyers	£36.7m	(3%)	67%	38%	£427k	- £263k	=£164,000	£588,000	(-2%)
93 (+5) **Stevens & Bolton** South East, 40 equity ptnrs, 0 non-equity ptnrs, 143 total lawyers	£36.1m	(24%)	46%	39%	£252k	- £155k	=£98,000	£350,000	(34%)
94 (-1) **Fletchers**[16] Southport, 0 equity ptnrs, 12 non-equity ptnrs, 193 total lawyers	£35.7m	(11%)	n/a	n/a	£185k	- n/a	=n/a	n/a	(n/a)
95 (-1) **Thorntons** Scotland, 21 equity ptnrs, 40 non-equity ptnrs, 165 total lawyers	£35.5m	(14%)	n/a	17%	£215k	- £180k	=£36,000	£280,000	(2%)
96 (0) **DMH Stallard** South East, 18 equity ptnrs, 52 non-equity ptnrs, 124 total lawyers	£33.5m	(11%)	35%	14%	£270k	- £233k	=£37,000	£256,000	(1%)
97 (n/a) **Fox Williams** London, 23 equity ptnrs, 15 non-equity ptnrs, 95 total lawyers	£33m	(n/a)	n/a	45%	£347k	- £189k	=£158,000	£652,000	n/a
98 (-6) **Sacker & Partners**[1] London, 16 equity ptnrs, 8 non-equity ptnrs, 56 total lawyers	£32.8m	(2%)	23%	50%	£586k	- £293k	=£293,000	£1,025,000	(8%)
99 (-4) **Harper Macleod** Scotland, 39 equity ptnrs, 32 non-equity ptnrs, 192 total lawyers	£31.4m	(4%)	18%	31%	£164k	- £114k	=£50,000	£246,000	(-3%)
100 (-3) **Boodle Hatfield** London, 15 equity ptnrs, 22 non-equity ptnrs, 85 total lawyers	£30.7m	(5%)	33%	32%	£361k	- £246k	=£115,000	£653,000	(3%)

† No financial information provided by the firm.

* Firm is structured as a Swiss Verein or EEIG.

Partner earnings

LB100 firms ranked by highest top of equity*

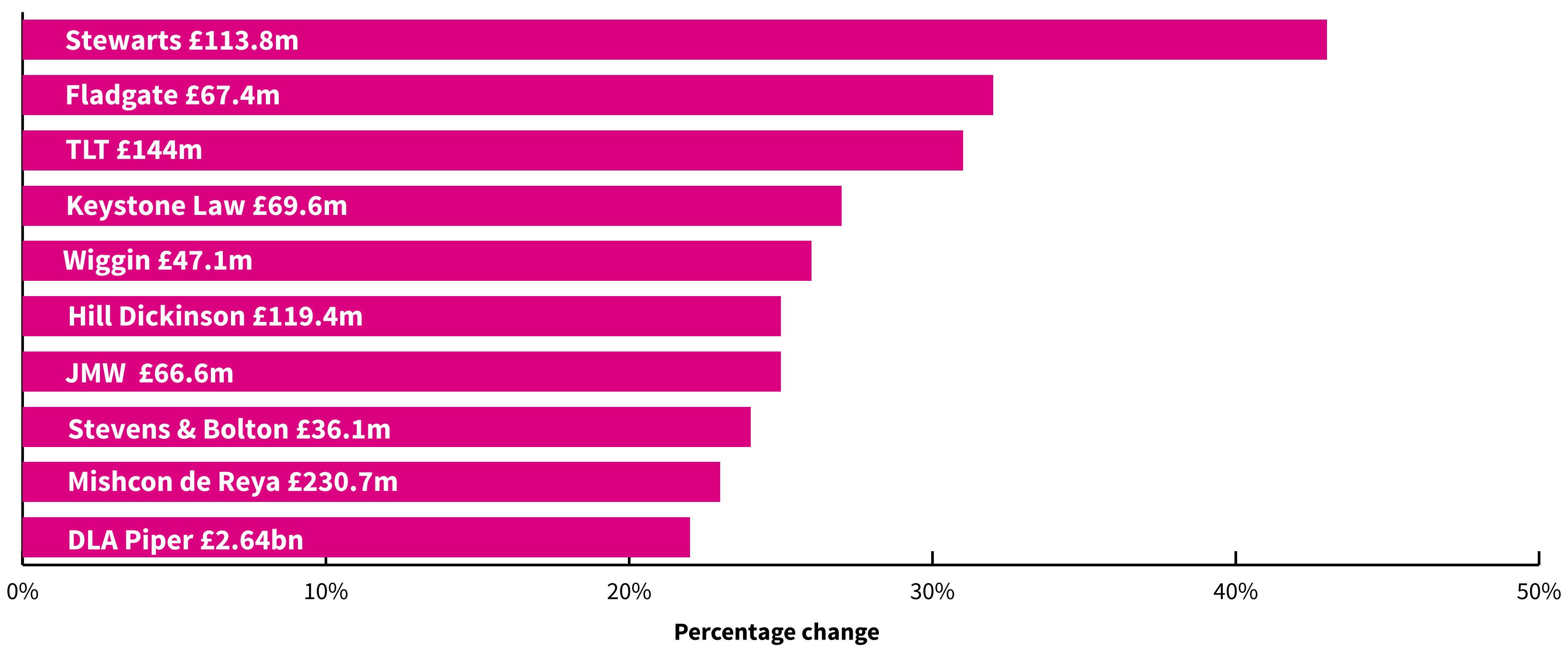
		Equity partners: non-equity partners	PEP	Equity spread
1	**Stewarts**	21:50	£2,767k	£1,187k to £3,402k
2	**Eversheds Sutherland**	242:582	£1,200k	£451k to £2,710k
3	**Harbottle & Lewis**	20:22	£890k	£384k to £2,641k
4	**WFW**	105:67	£567k	£250k to £2,562k
5	**RPC**	76:33	£571k	£200k to £2,000k
6	**CMS**	684:499	£773k	£98k to £1,816k
7	**Addleshaw Goddard**	119:176	£866k	£402k to £1,807k
8	**Fladgate**	21:64	£895k	£450k to £1,667k
9	**Bryan Cave Leighton Paisner**	211:280	£788k	£255k to £1,593k
10	**HFW**	82:94	£665k	£330k to £1,427k
11	**Stephenson Harwood**	78:101	£692k	£333k to £1,400k
12	**Pinsent Masons**	180:275	£724k	£333k to £1,263k
13	**Sacker & Partners**	16:8	£1,025k	£431k to £1,200k
14	**Osborne Clarke**	197:101	£796k	£459k to £1,144k
15	**TLT**	39:104	£826k	£530k to £1,080k
16	**Freeths**	36:114	£636k	£150k to £1,060k
17	**Walker Morris**	34:17	£735k	£260k to £1,040k
18	**Withers**	81:117	£670k	£231k to £1,040k
19	**Wiggin**	25:17	£644k	£320k to £960k
20	**Fox Williams**	23:15	£652k	£333k to £919k
21	**Hill Dickinson**	55:73	£636k	£100k to £900k
22	**Charles Russell Speechlys**	77:91	£521k	£276k to £894k
23	**Burness Paull**	40:36	£730k	£365k to £877k
24	**Farrer & Co**	36:48	£633k	£328k to £876k
25	**Bevan Brittan**	18:74	£678k	£336k to £850k
26	**Boodle Hatfield**	15:22	£653k	£328k to £821k
27	**Shepherd and Wedderburn**	38:34	£521k	£325k to £784k
28	**Shoosmiths**	41:178	£683k	£97k to £734k
29	**Lewis Silkin**	74:0	£422k	£141k to £709k
30	**Harper Macleod**	39:32	£246k	£130k to £690k
31	**Capsticks**	21:37	£505k	£271k to £664k
32	**Trowers & Hamlins**	79:73	£414k	£249k to £622k
33	**Burges Salmon**	73:23	£519k	£279k to £619k
34	**Howard Kennedy**	53:3	£315k	£118k to £616k
35	**Mills & Reeve**	89:44	£471k	£377k to £603k
36	**Forsters**	35:23	£491k	£159k to £601k
37	**Wedlake Bell**	17:50	£353k	£200k to £600k
38	**Birketts**	41:51	£417k	£300k to £591k
39	**Michelmores**	28:38	£375k	£237k to £575k
40	**Winckworth Sherwood**	14:56	£457k	£228k to £571k
41	**Russell-Cooke**	60:0	£217k	£80k to £550k
42	**Bristows**	40:0	£453k	£173k to £544k
43	**Clarke Willmott**	29:84	£424k	£352k to £487k
44	**Womble Bond Dickinson**	218:171	£468k	£254k to £533k
45	**Kingsley Napley**	19:50	£337k	£260k to £430k
46	**Ampa**	35:79	£346k	£285k to £420k
47	**Brabners**	21:53	£343k	£166k to £403k
48	**Cripps**	33:30	£306k	£174k to £394k
49	**Weightmans**	38:144	£297k	£181k to £393k
50	**BDB Pitmans**	50:20	£232k	£140k to £380k

Equity spread ■ PEP |

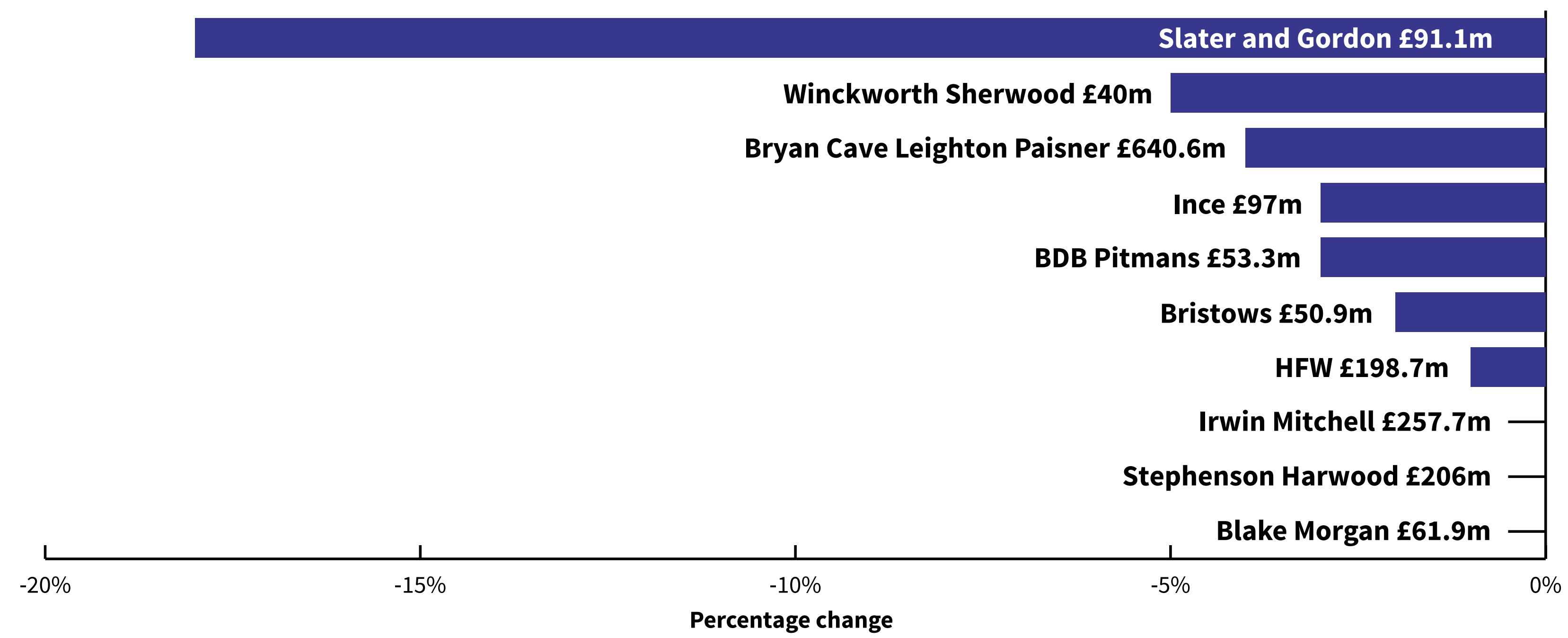
£0 £200k £400k £600k £800k £1,000k £1,200k £1,400k £1,600k £1,800k £2,000k £2,200k £2,400k £2,600k £2,800k £3,000k £3,200k £3,400k

* Lists the 50 firms by highest top of equity that provided full equity spread data on their completed *LB100* form.

TEN FASTEST GROWING FIRMS BY REVENUE



TEN SLOWEST GROWING FIRMS BY REVENUE



LB100 REVENUE AVERAGES

£313.5m
Average revenue

9%
Average revenue growth

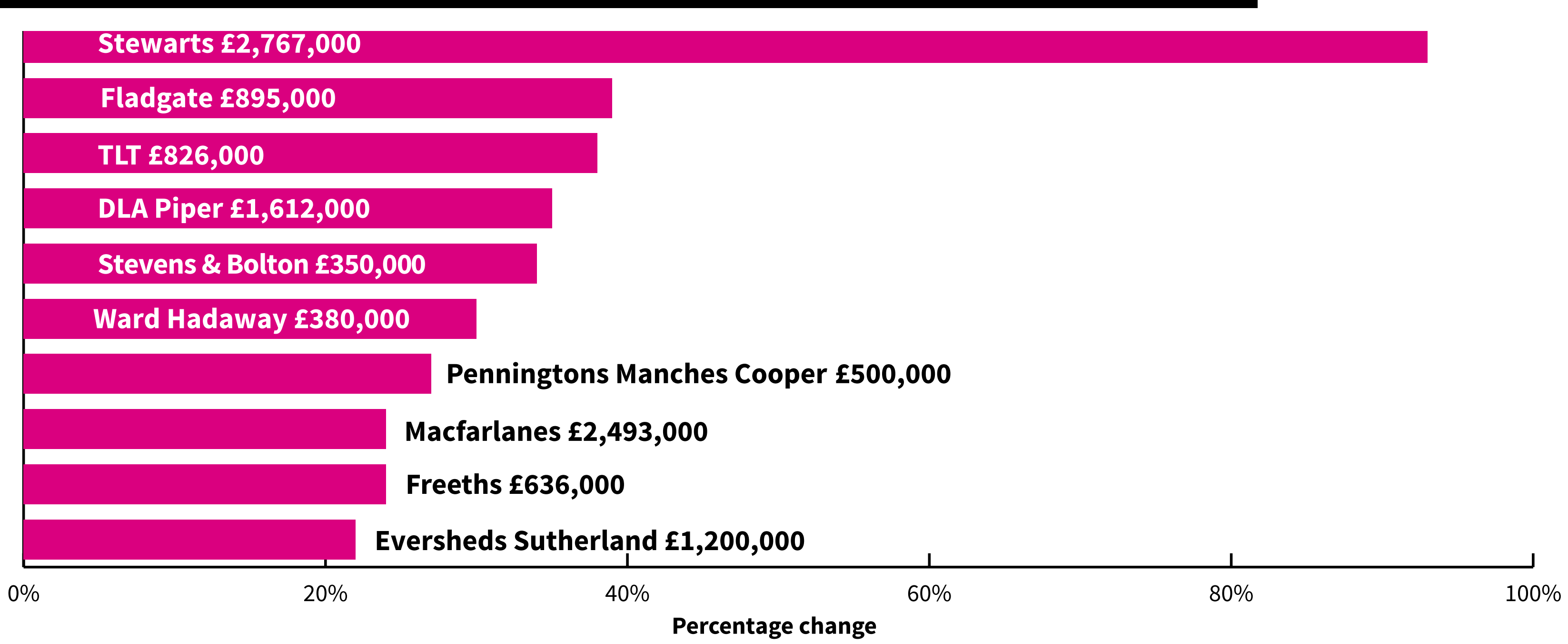
LB100 AVERAGE EARNINGS

Revenue per lyawer **£409k (+10%)**

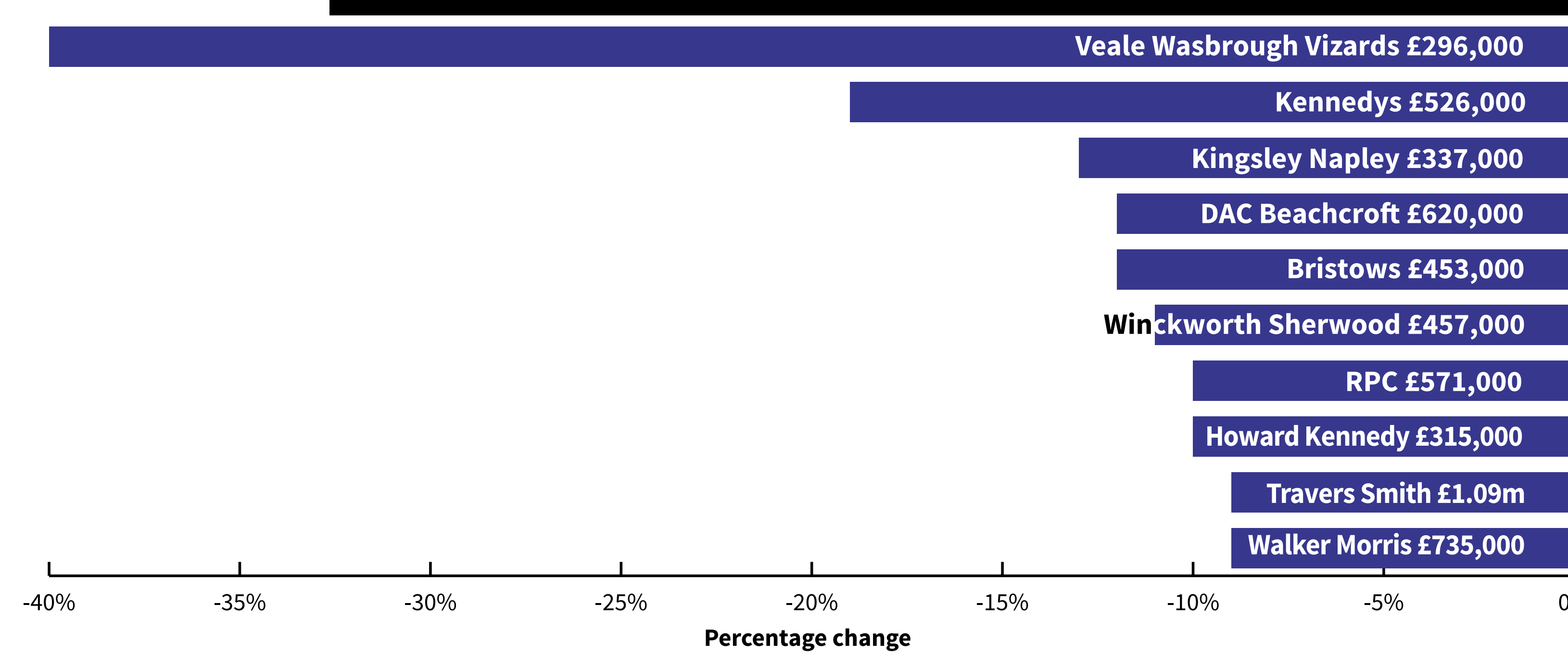
Profit per lawyer **£144k (+12%)**

Profit per equity partner **£1,038k (+9%)**

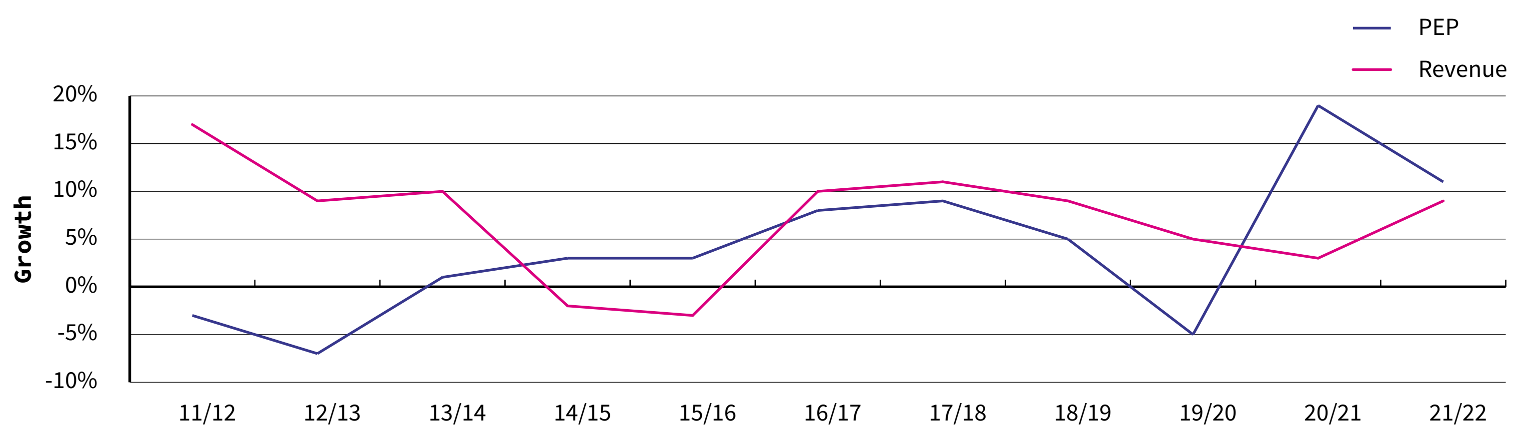
TEN FASTEST GROWING FIRMS BY PROFIT PER EQUITY PARTNER



TEN SLOWEST GROWING FIRMS BY PROFIT PER EQUITY PARTNER



FIRMS 1-25



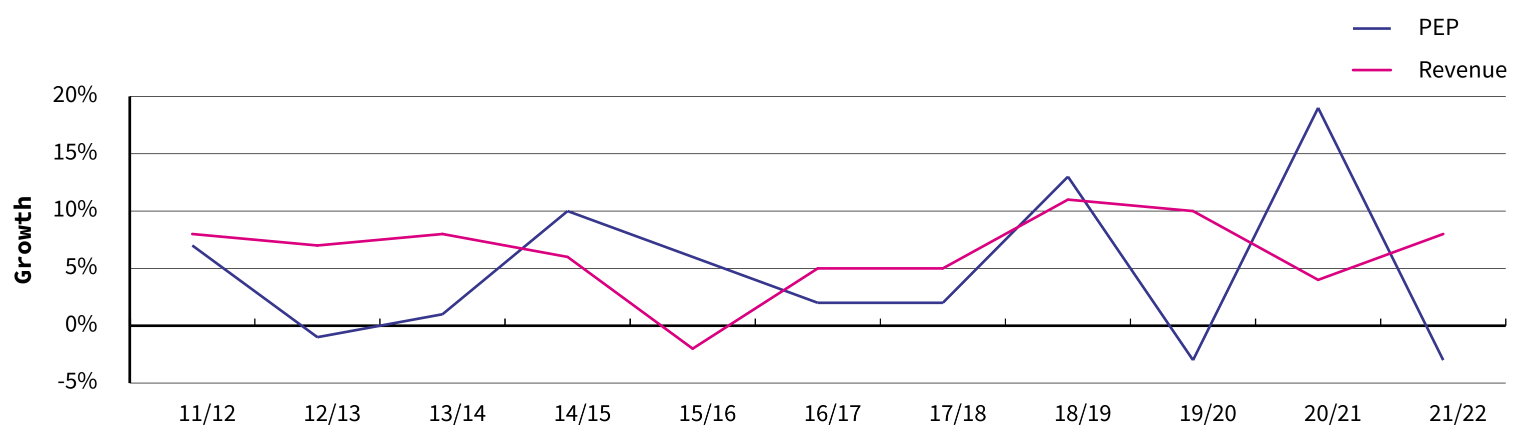
Average revenue per lawyer
£485,000 (+13%)

Average profit per lawyer
£180,000 (+16%)

Average profit per equity partner
£1,237,000 (+11%)

AVERAGE REVENUE
£979m (+9%)

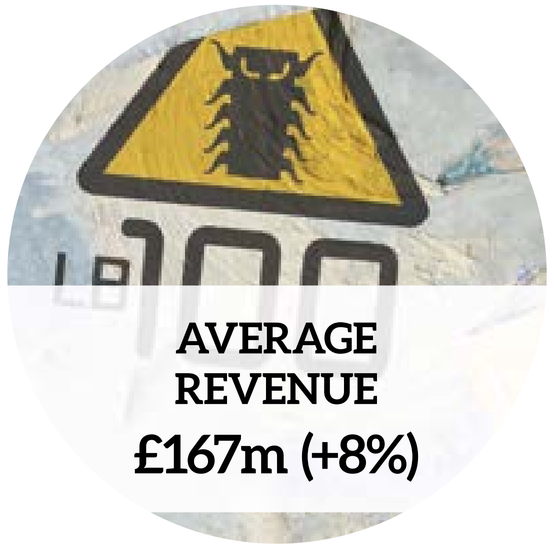
FIRMS 26-50



Average revenue per lawyer
£290,000 (+6%)

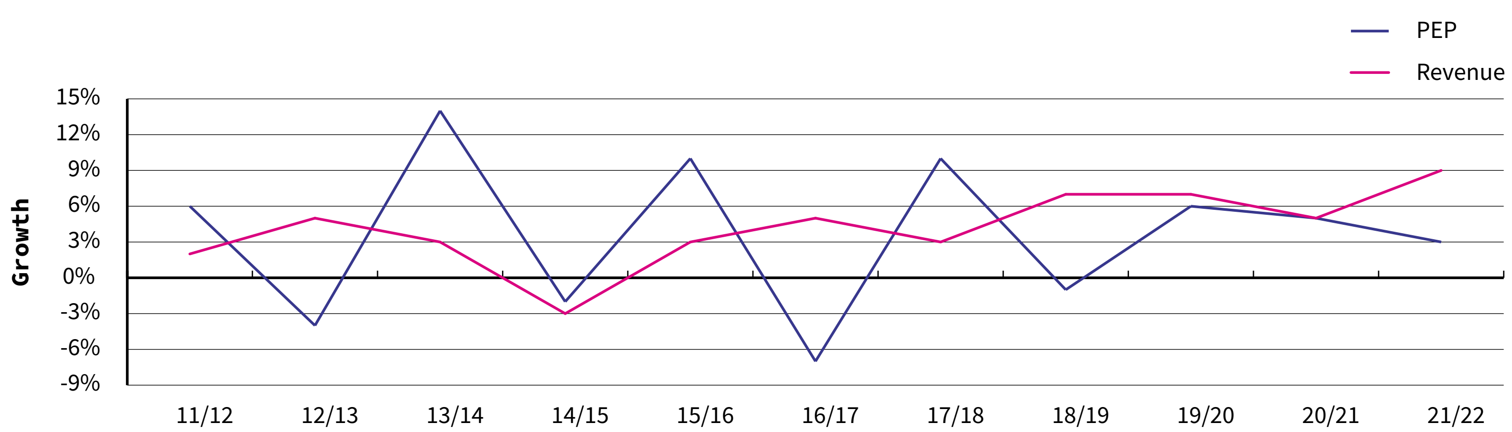
Average profit per lawyer
£73,000 (-8%)

Average profit per equity partner
£633,000 (-3%)



AVERAGE REVENUE
£167m (+8%)

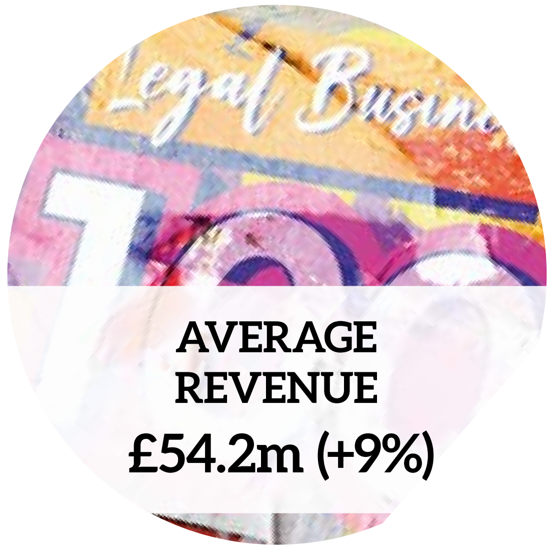
FIRMS 51-100



Average revenue per lawyer
£230,000 (+3%)

Average profit per lawyer
£58,000 (+4%)

Average profit per equity partner
£432,000 (+3%)



AVERAGE REVENUE
£54.2m (+9%)

Off the pace

Historically the *LB100*'s pacesetters, the second quartile firms find themselves in the unusual position of slowing down

TOM BAKER

Illustrator HARRY MILBURN

If you only read the stats, you would be forgiven for thinking that the *LB100*'s 26-50 group has struggled this year. The numbers are uncharacteristically grim for the second quartile: profit per lawyer (PPL) dipped 8% from £79,000 to £73,000 and profit per equity partner (PEP) dropped 3% to £633,000.

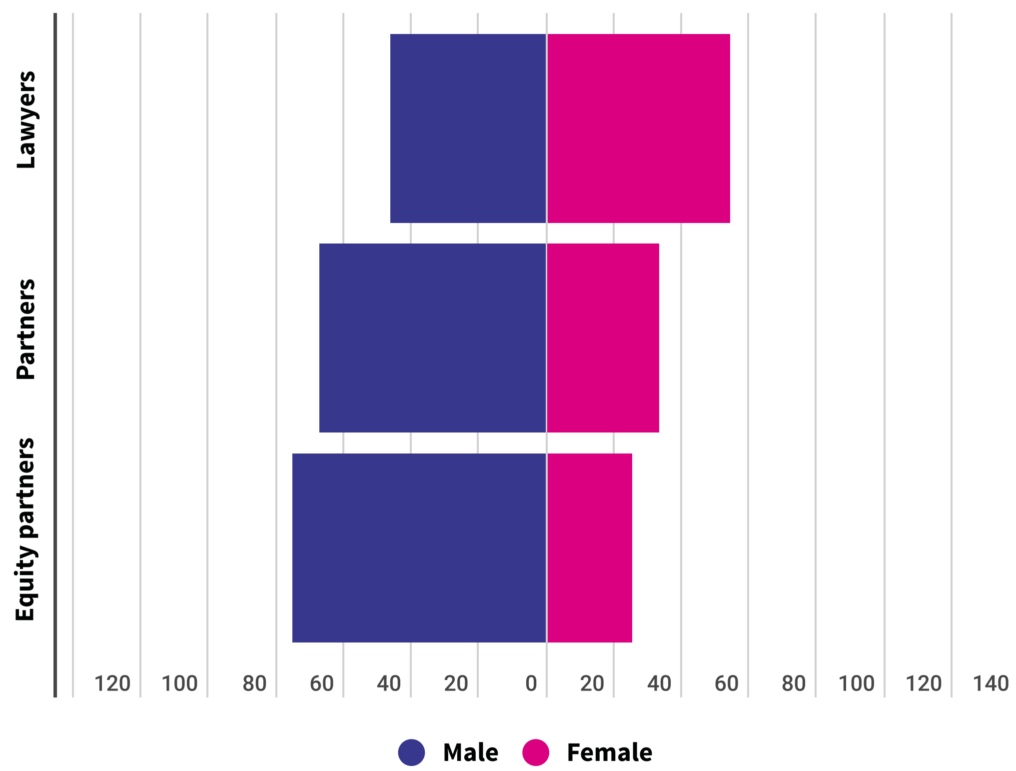
Revenue metrics are more favourable – average turnover grew a solid 8% to £167m from £154.7m, while revenue per lawyer (RPL) was up 6% from £273,000 to £290,000. However, this pales in comparison to the blistering growth of the *LB100*'s top 25, and is a far cry from last year's eye-catching 19% hike in PEP among the 26-50 group.

Anecdotally at least, the message from law firm leaders of the 26-50 firms is far more sanguine. Many managing partners have reported growth in all sectors and practice areas, albeit with a sensible regard for potential economic headwinds next year.

In the context of a market otherwise rife with investment and consolidation, the cause of this sluggishness is difficult to pinpoint.

The stance is not lost on Kevin Gold, executive chair of Mishcon de Reya. 'It was a strange year for multiple reasons. The macroeconomic position was weird. We were in a post-Brexit environment, we were in a Covid environment and we were in the middle of potentially IPOing – it was pretty full on.'

DIVERSITY: GENDER BALANCE AT SENIOR LEVEL



Eighty-five percent of LB100 firms provided gender diversity data of some kind. The majority of data applies to UK-only lawyers, although some international firms provided global data, as requested. Overall, the representation of women in the LB100 continues to move in right direction, moving up one or two percentage points on last year's survey, but the gap at senior level remains the same.

KEEPING PACE

Nevertheless, many in the group had cause for cheer – among them Stewarts, as its high-risk, high-reward contingency fee-based model paid off in style this year. Turnover hiked by an above-trend 43% to hit £114m and propel the firm ten places up the *LB100* table to storm into the top 50. Even more impressive was its eye-watering 93% boost in net profits from £30m to £58m, and a similarly strident 86% uptick in PEP from £1.4m to £2.7m.

The litigation specialist makes no secret of the sporadic nature of its financials, with managing partner Stuart Dench admitting: 'In previous years, we have indicated that our revenue and profit patterns will be "non-linear". That remains the case, as these results demonstrate.'

Perhaps a better poster child for the second 25 is TLT, recording another standout year headlined by a 31% jump in turnover to £144m. PEP growth was also pacey, increasing 38% to £826,000. According to managing partner John Wood, the performance was borne partly of a flight to value: 'Clients have said: "Why am I using a big City firm when I could be using a national firm? Why am I paying the uplift?"'

Wood also reported growth across all practice areas, singling out the corporate and clean energy businesses as particular standouts. Perhaps most tellingly, Wood isn't green with envy when looking around the market: 'As a sector we are pretty resilient, but there's no one I look at and think: "Blimey! I wish we were doing what they are doing."'

It was an upbeat 12 months for fellow national firm Freeths, supporting Wood's assertion that work is flowing in that direction. National managing partner Karl Jansen recalls the strategy, enshrined in 2015, which aimed to double Freeth's revenue by 2020. Since achieving that goal, Jansen says the firm has 'followed that trajectory.' Last year, this translated to a 10% uplift in revenue to £110.1m, and a 24% boost in PEP to £636,000.

All of Freeths' practice areas grew, though Jansen emphasised corporate, real estate and disputes, all of which experienced double-digit growth. He also highlighted the performance of the firm's Bristol office – having been established in 2019 with just a team of two, the hub now has 40 members of staff and generates £4m in turnover. Jansen expects this to hit £7m in the next financial year.

Notwithstanding, Jansen is hesitant to repeat a prescriptive target for the firm's next five-year strategy: 'For our 2025 ambition, we decided not to set any particular monetary targets. Rather, we want to be up by double digits year on year and rely on that to give us significant growth. But we anticipate there will be opportunities for mergers or acquisitions of non-legal services, for example. Stuff like that can really propel you beyond your original strategy.'

> **'For our 2025 ambition, we decided not to set any particular monetary targets. Rather, we want to be up by double digits year on year and rely on that to give us significant growth.'**
> Karl Jansen, Freeths

On paper, it was also a decent year for Mishcon, with revenues climbing a healthy 23% to £230.7m. In practice, it has been an atypical time of turbulence. In September 2021 the firm's partners voted in favour of an IPO, which triggered a host of partner exits in the following months, including a dramatic seven-partner exodus to Greenberg Traurig in October. Plans to list were then shelved at the beginning of 2022 due to 'volatile' market conditions, but the damage was done – a June 2022 Companies House filing revealed Mishcon had spent nearly £12m on its aborted float.

Add to this the 2021 combination with legal and consultancy business Taylor Vinters, as well as the impact of Mishcon's launches in Singapore in 2020 and Hong Kong in 2021, and you have an understandably deceptive performance. In addition to soaring revenue, PEP increased by 11% to just over £1m, hitting pre-Covid levels.

Gold summarises: 'There were these big macro themes [the investments], but those themes were consistent with our pre-Covid, pre-Brexit ten-year vision and what we

WHICH FIRMS HAVE THE BIGGEST UK BUSINESS?

This table lists the top 50 firms by UK revenues only. Once international fee income is taken out of the equation, the relatively strong UK performance of Global 100 firms such as Clifford Chance and Hogan Lovells becomes apparent. NB This table only lists the top 50 firms by UK fee income that chose to disclose a breakdown of fee income geographically – many international firms are unable to provide this.

	UK revenue (change on 2021 in brackets)
DLA Piper	£1,165.1m (n/a)
Allen & Overy	£710m (n/a)
Clifford Chance	£687m (7%)
Eversheds Sutherland	£678.4m (8%)
CMS	£546.3m (13%)
Pinsent Masons	£394.1m (4%)
Hogan Lovells	£389m (14%)
Addleshaw Goddard	£333m (18%)
Macfarlanes	£303.7m (16%)
Ashurst	£292m (15%)
Clyde & Co	£287.8m (-2%)
Norton Rose Fulbright	£286.1m (14%)
Irwin Mitchell	£275.7m (-3%)
DAC Beachcroft	£251m (5%)
DWF	£251m (4%)
Taylor Wessing	£219.3m (25%)
Osborne Clarke	£199.1m (20%)
Fieldfisher	£198m (18%)
Bryan Cave Leighton Paisner	£184.7m (0%)
Shoosmiths	£182m (8%)
Charles Russell Speechlys	£146.1m (-1%)
Mills & Reeve	£131.1m (7%)
Knights	£125.6m (22%)
Burges Salmon	£119.2m (10%)
Stewarts	£113.8m (43%)
Womble Bond Dickinson	£113.8m (7%)
Keoghs	£111.1m (6%)
Freeths	£110.1m (10%)
Hill Dickinson	£105.7m (n/a)
Weightmans	£103.2m (5%)
Brodies	£98.5m (19%)
Withers	£96m (3%)
Browne Jacobson	£93.9m (10%)
Farrer & Co	£87.3m (9%)
HFW	£81.5m (0%)
Ampa	£80.4m (16%)
Burness Paull	£78.6m (9%)
Birketts	£77.6m (11%)
Lewis Silkin	£69.7m (17%)
Keystone Law	£69.6m (27%)
Forsters	£69.4m (15%)
WFW	£67.2m (13%)
JMW Solicitors	£66.6m (25%)
Fladgate	£66.4m (30%)
Shepherd and Wedderburn	£62.2m (5%)
Blake Morgan	£61.9m (0%)
Walker Morris	£61m (11%)
Howard Kennedy	£60.5m (6%)
Bevan Brittan	£60.1m (7%)
Clarke Willmott	£59.6m (12%)

‘The war in Ukraine impacted us a lot more than others given that our year end is the end of June.’ Edmund Reed, Travers Smith

wanted to become. The overarching theme is that we did rather well in having a broad vision and being able to execute upon that.’

FUNNY OLD WORLD

Probably the biggest shock came from Travers Smith, a firm which typically rivals Macfarlanes in growth reliability. In revenue terms, a 5% jump to £195m from £185.7m was respectable, but PEP falling 9% from £1.22m to £1.105m while equity partner numbers remained essentially flat (increasing from 57 to 58) detracted.

Managing partner Edmund Reed says: ‘The war in Ukraine impacted us a lot more than others given that our year end is the end of June. Most other firms’ year end is much earlier. We had quite a long period of dislocation that occurred immediately upon that war breaking out. The firm is doing well and we’re really optimistic and confident for the future, but it has been a funny old world that we have been operating in.’

Watson Farley & Williams’ new brooms, managing partner Lindsey Keeble and senior partner George Paleokrassas, also reported feeling the ripple effect in key sector specialisms. Paleokrassas comments: ‘It did impact us on the maritime side because we had clients who lent to the major Russian companies. We had a huge amount of involvement there. That generated a great deal of work and pressure, to ensure the clients and the firm could meet the ever-changing requirements.’

Overall, it was a solid year for the new leaders, elected at the end of 2021. Revenue swelled 6% from £177m to £189.7m, while PEP inched upwards 2% from £556,000 to £567,000 despite equity partner ranks expanding by six to reach 105. The leadership pair are clearly ambitious, as the firm plans to make a ‘huge push’ in energy, infrastructure and disputes, according to Paleokrassas.

Keeble sums up the year: ‘We’re known more on the finance side, we’re not a huge corporate powerhouse, which probably means we don’t have the boom years seen by some firms. We feel more confident that that means we won’t have big downturns either. It’s good, consistent growth.’

RPC’s results are mixed – including a 10% uptick in revenue from £136m to £149.4m and a 10% slump in PEP from £634,000 to £571,000. Managing partner James Miller qualified this by pointing to increased investment in IT, infrastructure and people, as well as new offices in Bristol. Equity partner headcount was marginally up, from 75 to 76.

Miller echoes common market sentiment that, while key firm focuses in litigation and insurance were ‘hot’, there has been a ‘softening’ in M&A and the private equity markets.

‘All our main areas have been busy, including retail and tech. Class actions are picking up, following the lead from the US. Not all trends from the US get picked up over here, but class actions certainly have.’
James Miller, RPC

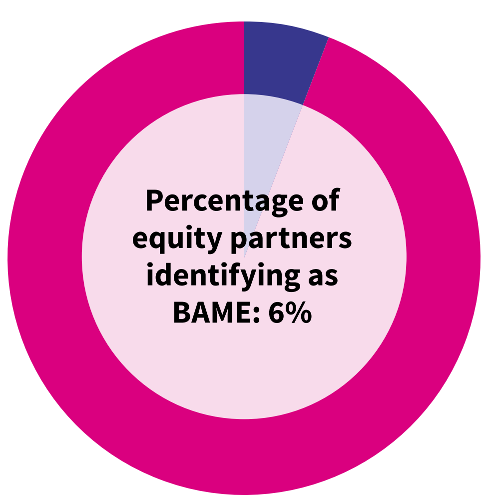
Nonetheless, Miller is sanguine: ‘All our main areas have been busy, including retail and tech. Class actions are also picking up, following the lead from the US. Not all trends from the US get picked up over here, but class actions certainly have.’

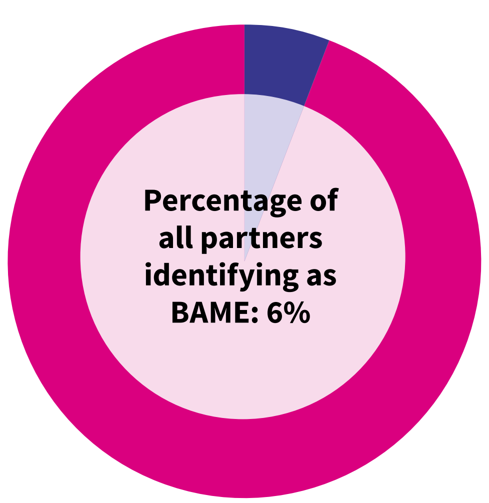
Performance at listed firm Knights was typically eye-catching– its acquisitive nature tends to translate into wild results. This year was no different. On paper, the topline ballooned 22% from £103.2m to £125.6m however, on an organic basis (factoring out the buyouts of regional firms Langleys, Mundays and Keebles), revenue increased a more sedate 2%.

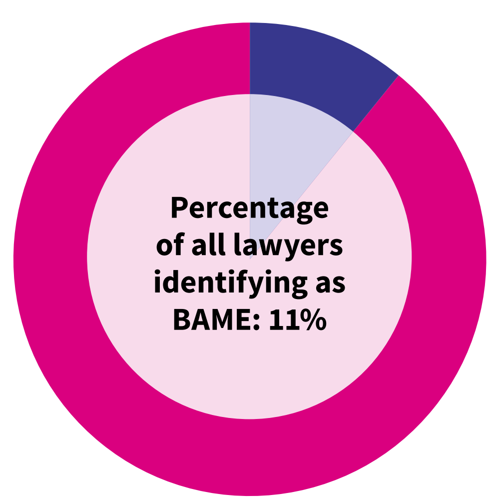
Underlying profit before tax slipped 2% to £18.1m from last year’s £18.4m. The firm pointed to disruption in the fourth quarter caused by the Omicron variant of Covid as a mitigating factor, but chief executive David Beech is upbeat, heralding ‘a positive start to the new financial year supported by the acquisitions completed in prior years’.

Revenue and PEP dipped 1% and 2% respectively at HFW, which the firm attributed to a ‘prudent’ reduction in lawyer headcount during the pandemic. Turnover was down from £200m to £198.7m while PEP fell from last year’s record high of £683,000 to £669,000, despite equity partner numbers dropping significantly from 88 to 82.

DIVERSITY: ETHNICITY

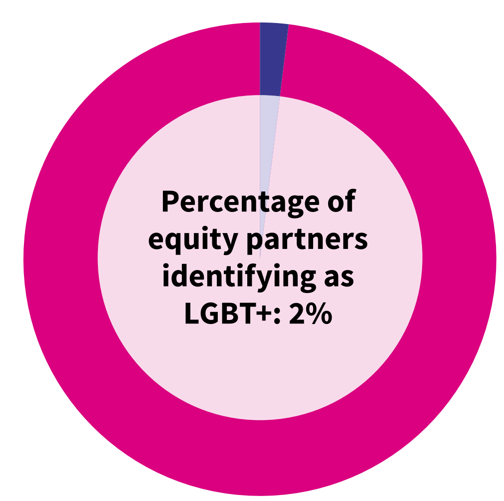


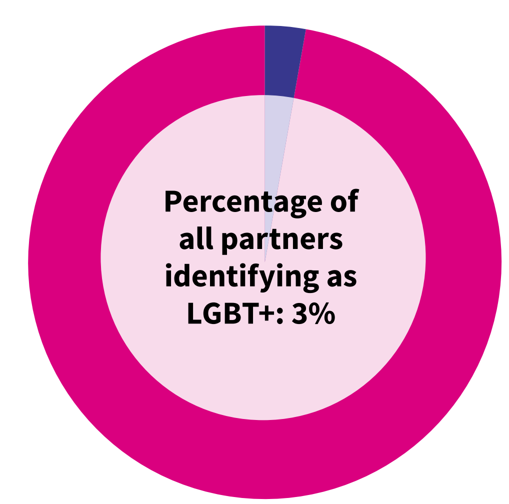


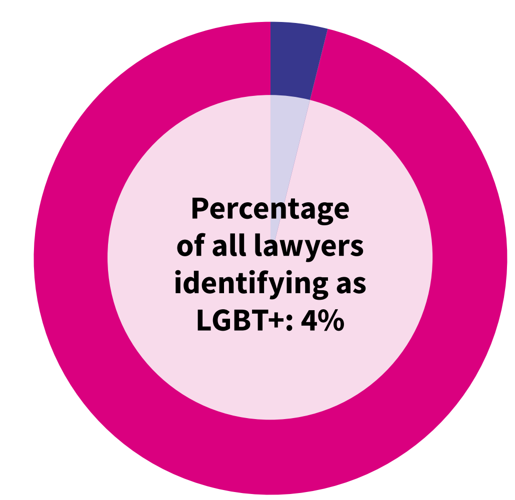


NB: Seventy-eight percent of *LB100* firms provided lawyer ethnicity data of some kind. The majority of data applies to UK-only lawyers, although some international firms provided global data, as requested. The overall representation of BAME lawyers among the *LB100* remains the same (11%), but there has been marginal improvement at partner level.

DIVERSITY: SEXUAL ORIENTATION







NB: This data was asked of firms for the first time last year, and the data is identical to 2021/22. The percentage is mean average of declared LBGT+ representation across responding firms (67). Some international firms provided available data for UK lawyers only.

‘For me, the mid-tier and regional firms have an advantage right now. I think the bigger firms are at real risk after conversations I’ve had with general counsel.’

John Wood, TLT

HFW chalked up the PEP reduction to an end of pandemic-era cost savings: ‘HFW saw exceptional cost savings during the pandemic. These cost savings diminished during FY22 as countries across the firm’s global network began to return to normality.’

Nonetheless, managing partner Jeremy Shebson is ‘keen to see growth, moving well beyond £200m’, and is excited by the firm’s upcoming April 2023 move to ‘new modern premises’ in Bishopsgate. Shebson remarks: ‘Our culture is really important, and I hope people will be invigorated by this new space.’

CERTAIN UNCERTAINTY

While there were ups and downs across the second quartile, there is unity in recognising the uncertainty that inevitable macro-economic disruption will cause.

For Jansen, the apprehension is tempered by opportunity: ‘The transactional side might get hard but it’s performing well for us at the moment. If you are doing just big stock exchange and big corporate projects maybe you’ll have some difficulty. When we went into the pandemic we had a drinks, hospitality and leisure sector team that we were quite worried about. But it turned out to be the best two years they ever had, so you just never know.’

For Wood, the uncertainty plays into the hands of the mid-market. ‘For me, the mid-tier and regional firms have an advantage right now. I think the bigger firms are at real risk after conversations I’ve had with general counsel. All of us keep pushing up the value curve. If clients’ businesses are going to find themselves under economic pressure they are going to look at the best value. They’ll think: “my regional suppliers can give me the best services at a lower price so why not choose them?”’ LB

tom.baker@legalease.co.uk
@TomBakerLB

DIVERSITY CHAMPIONS: FIVE FIRMS WITH THE STRONGEST GENDER DIVERSITY STATISTICS

Firm	% equity partners female	% partners female	% lawyers female
Sacker & Partners	52%	54%	61%
Irwin Mitchell	53%	50%	60%
Kingsley Napley	42%	53%	64%
Boodle Hatfield	53%	46%	58%
Forsters	45%	47%	60%

DIVERSITY CHAMPIONS: FIVE FIRMS WITH THE STRONGEST BAME REPRESENTATION

Firm	% equity partners BAME	% partners BAME	% lawyers BAME
Bryan Cave Leighton Paisner*	21%	16%	13%
Ampa	8%	10%	26%
Hogan Lovells*	11%	12%	20%
Devonshires	7%	14%	21%
Linklaters**	N/D	13%	25%

Data is UK only unless stated otherwise.
* Global figures
** Linklaters does not distinguish between equity and non-equity partners for diversity reporting purposes.

DIVERSITY CHAMPIONS: FIVE FIRMS WITH THE STRONGEST LBGT+ REPRESENTATION

Firm	% equity partners LBGT+	% partners LGBT+	% lawyers LGBT+
Boodle Hatfield	7%	8%	10%
Trowers & Hamlins	9%	9%	4%
Russell-Cooke	6%	6%	7%
Trowers & Hamlins	9%	9%	4%
Devonshires	7%	8%	3%

Data is UK only unless stated otherwise.

All that glisters is not Gold

Mishcon de Reya has had a turbulent year, characterised by ambitious plans and high-profile failures. Is the firm a pioneer breaking new ground in the profession, or a respected institution that has lost its way?
MEGAN MAYERS AND CHARLES AVERY

When *Legal Business* last took a deep dive into the firm's then 'unrivalled financial success' in 2016, the entrepreneurial reputation of the Mishcon brand took centre stage. For this, the then managing partner Kevin Gold (*pictured*) and marketing maverick Elliot Moss were largely credited. 'Mishcon has continually broken from the pack, often in a colourful style that made legal glamour brands like Olswang look about as edgy as Linklaters,' *LB* proclaimed in the feature.

At the time, the firm had broken from the pack to pursue high-profile litigation over transactional work. With an enviable list of instructions that included the divorce and estate of Princess Diana, Mishcon was then representing a group claim spearheaded by businesswoman Gina Miller challenging the triggering of the article 50 notice to leave the EU. The firm regularly attracted plaudits for taking on David versus Goliath cases and creating an innovative, collaborative environment. Nearly six years ago, Gold mused: 'Mishcon is like being at uni but you get paid for it.'

Unhindered by this jocular approach, the firm matched its cool reputation with hefty financial success worthy of respect among the City elite. In our 2016 *LB100* report, Mishcon sat at 31st place having added 11% to its top line, increasing revenue 104% on a five-year track from £65m in 2011 to £132.7m in 2016.

Fast forward to now and the firm appears to be making headlines for all the wrong reasons. A record-breaking Solicitors Regulation Authority (SRA) fine of £232,500 for 'serious breaches' of money-laundering rules, its controversial response to representing Russian clients following the invasion of Ukraine, to say nothing of a shelved IPO that has so far cost £12m.

What has become of the slick and enterprising firm that was once the industry's darling?

A MOST RARE VISION

Despite these PR reversals, Mishcon's financial trajectory has stood firm. Since 2017, it has added

52% to its top line of £151.9m bolstering revenue to £230.7m for 2021/22. While a far cry from its five-year progress to 2016, this hardly signals a troubled firm.

Detractors may point to its drop in profit per equity partner (PEP), which has fallen 5% since 2017 from £1.1m to £1.05m this year – but this too can be contextualised amid a 43% rise in equity partner numbers in that time to 57 – compared to 40 five years ago.

The majority of Mishcon's turnover still comes from the UK (95%), after an ill-fated foray in the US saw it close its Manhattan office after ten years in 2020. According to Gold, who is now chair of the firm having stepped down as managing partner in April 2020, this is in line with a grand plan that will continue Mishcon's drive to grow while ploughing its own furrow. That strategy, as he puts it, is to 'grow the McKinsey of law' by leveraging the Mishcon brand and adding consultancy businesses to complement its legal services, instead of following the crowd of multinational firms.

Despite its domestic focus, the firm has made strides in Asia over the past two years with the launch of a Singapore office in May 2020 and an association with Karas LLP in Hong Kong, finalised in November 2021. The two offices contributed more than £10m (5%) in turnover in 2021/22. Acknowledging the contradiction, Gold is quick to explain the complementary nature of its businesses in Asia focusing largely on private client disputes, in contrast to the contingency patent specialism of the former New York practice.

While Mishcon's consultancy-driven growth is not unique, with most City firms now recognising the value of providing additional non-legal services, Mishcon has been bold in launching ancillary businesses. In tech, examples include data and blockchain-focused MDRxTech and MDR Taylor Vinters, a business combination to provide legal and consultancy services to innovators and entrepreneurs. The firm also launched a litigation finance arm in combination with Harbour in September 2021.

On the ubiquitous question of ESG, sustainability consultancy Mishcon Purpose in August hired Paul Clements-Hunt, the responsible investing trailblazer who is credited with coining the acronym. His reasons for joining the practice show the potential of its model to continue the firm's entrepreneurial brand: 'I really liked the culture right out of the gate. I felt that it is a really entrepreneurial model, that Mishcon de Reya creates interesting companies, spins them off under the MDR brand, whether it's the tech company or the cyber company.'

'While Mishcon is an excellent law firm, should they have listed? Absolutely not. It's like launching a ship. No matter how good the ship is, it would still have been going into very choppy waters.'
Rob Shooter, Fieldfisher

TO LIST, OR NOT TO LIST

Clearly, the centrepiece of Gold's approach has been the intended listing on the public markets. Announced in 2019, the pitch had it that the capital raised would enable the firm-turned-professional services company to further branch out into non-legal services.

Gold expounds on the rationale: 'Law firms are traditionally undercapitalised businesses. It works on partners' capital. You go in, you pay your tax, you take it out and you earn lots of money along the pathway, but there isn't the kind of technical capital in the business to grow other kinds of businesses. The idea of going to the capital markets was to strengthen the capital base of the firm in order to expand into other areas.'

Sensible enough on paper, if not for the obstacles. The listing on the London Stock Exchange was shelved 'for the foreseeable future' in June as a result of adverse market conditions. Having cost the firm almost £12m, the U-turn has been viewed as an embarrassing misfire by many, though Gold argues that the plan fell victim to factors beyond the firm's control: 'The markets were coming into incredibly turbulent times and we pulled out just before the war in Ukraine, but you could just smell what was happening in the world and the capital markets.'

Fieldfisher managing partner Rob Shooter echoes this sentiment: 'While Mishcon is an excellent law firm, should they have listed? Absolutely not. It's like launching a ship. No matter how good the ship is, it would still have been going into very choppy waters.'

Then there were the predictable partner losses. Between November 2021 and January 2022 the firm lost 13 partners, including six disputes partners to Greenberg Traurig, though Gold sees this as an inevitable risk: 'What would have been worse is to lock people into something that they didn't want or to have discontent in the partnership. For something that big and so radical, you need everyone with you marching in the same direction.'

Clearly, pushing ahead with listing amid the current volatility in the market would be ill-advised, but that is not to say that the whole idea is a non-starter. Until now, most of the firms to list on the public markets since such transactions were made legal under the Legal Services Act 2007 have either been alternative law firms like Keystone Law, or practices operating at the lower end of the market, such as Gateley. A firm of Mishcon's standing taking the plunge would represent a step forward for the listed legal market, as Kindleworth's James Hacking explains: 'Until Mishcon started pursing the IPO agenda with vigour, the firms that had gone to market were primarily specialist in nature, platforms or aggregators. Mishcon made the larger, city firms take note and for a time were offering investors the chance to be part of a higher margin, corporate-focused law firm. Those investors will still have that appetite if and when Mishcon returns.'

Even if Mishcon's attempt to float had not been beset by bad timing, there could be more fundamental objections. Many in the market view the concept of a listed law firm with scepticism. Hardly surprising, given the deep entrenchment of the partnership model. Gareth Price, global managing partner at Allen & Overy, exalts the more traditional system: 'At the heart of a law firm, and particularly here, is the notion of guardianship. The responsibility of every partner to hand over the business in a better state than they found it. Once you disconnect ownership from the activity, that notion gets eviscerated. A full listing of a law firm is not just a cultural shift, it's a brand-new business.

'The law firm model is adaptable and a fabulous developer of people, and a great source of strength for the UK economy.'

The argument in favour of partnership would seem to get stronger at the deeper end of the market in which Mishcon operates. When it comes to complex work, clients may still prioritise personal relationships over brand loyalty, as RPC managing partner James Miller suggests: 'Fundamentally, the legal profession is still a very personal business. Clients primarily choose their law firm based on the relationship they have with individual partners. Listing is impersonal and commoditises legal services, which is always going to be a problem.'

Some suggest that the true motivation was to allow the current generation of senior partners to 'cash out' at the expense of the next generation. It is a criticism of which Gold is well aware, and ready to rebut: 'People are going to say that but it is actually rubbish because of the way we structured it at that time. We structured it with a very long, excessive lock in of seven years. Secondly, all of my senior partners would have made, and will make, more money by not IPOing, given the salary sacrifice they made for the capital they got. They might have made more money if the shares went crazy over the next seven years but the cuts they were taking were substantial.'

The question of whether Mishcon will come back to the capital markets still hangs in the air. Gold is certainly not ruling it out: 'We've never said never but have put it on hold because underlying it is the mental philosophy that I've spoken about – impregnated growth, the core values and transforming into a legal services kind of consultancy.'

Given the advanced progress the firm made, few pundits would be surprised if the float was revisited. John Llewellyn-Lloyd, head of business and support services at Arden Partners, is among them: 'I would expect them to [come back to the IPO plan], yes. Having said that, right now, we've got so many macroeconomic uncertainties. From a planning point of view, you definitely can't say it'll come back in six months or something like that. So really, like anybody running a business, you've got to almost run the business on the basis that you won't list rather than you will.'

'We have never taken a view which was starting to be the kind of little Britain nationalist view of the world. When we start talking about global Britain and we become more and more nationalist, it's just oxymoronic.' Kevin Gold, Mishcon de Reya

ALL'S WELL THAT ENDS WELL

Controversies are not limited to Mishcon's financial strategy. The firm has also received negative press for its decision to work with clients of questionable repute, a notable departure from its previous form for taking on anti-establishment cases. A disputes partner at a rival firm scoffs: 'Their client list at the moment is a real rogue's gallery – let's just say they're doing well out of Russia.'

The decision to publicly oppose a broad brush approach to dropping Russian clients not impacted by sanctions is characteristic of Gold's free-thinking approach. 'Whether we were clever or not to say something, I just felt strongly. I come from apartheid South Africa and there were terrible things but there were always good people and bad people. We have never taken a view which was starting to be the kind of little Britain nationalist view of the world. When we start talking about global Britain and we become more and more nationalist, it's just oxymoronic.'

Perhaps a convenient line for a firm with a strong roster of wealthy Russian clients, but should the firm ultimately list, its ethical decision making will come under scrutiny from shareholders, not just competitors and the press. Gold is confident of the firm's ethical position though, perceiving his harshest critics to be those within the firm: 'When you are sitting with people of the next generation, if you start doing shit, they are going to walk and they are going to make a fuss. I'm much more worried about that than what *RollOnFriday* or whoever else are going to say about me.'

Ultimately, looking at the firm's progress so far fails to offer a true picture of what it is seeking to become. The spin off businesses are still nascent, while the mothballed IPO leaves the firm in a period of limbo. Macfarlanes senior partner, Sebastian Prichard Jones, is more generous: 'What Mishcon has achieved since having Gold at the helm is really extraordinary. This was a firm that had a better name than market impact and they have changed that. Their entrepreneurialism, fresh thinking and ability to go into new areas, as well as the marketing that Elliot Moss does there, it is all very interesting. They, of all people, could have made an IPO work.'

Should the firm overcome the macroeconomic and existential challenges of such an ambitious strategy, its reputation as a pioneer will likely be restored. For the moment though, the prevailing market criticism – that Mishcon has needlessly abandoned a durable and respected brand – looms large.

For his part, Gold has his eye firmly on the long game: 'look at the IPO process as the culmination of the historic ten-year vision that we've got, although we're only seven years in. We will continue to lay the foundation of the next stage of growth of that legal services business but continue to focus on being the best in our key areas and to continue to grow those other businesses like Mishcon Purpose and other brands. They will become increasingly important and their growth trajectory will be steeper than the law firm in the short term.' LB

megan.mayers@legalease.co.uk
@meganmayersLB

charles.avery@legalease.co.uk
@CharlesAveryLB

Ince Gordon Dadds – Collapse of an institution?

It has been a steep and brutal fall for the storied old shipping firm. Can Ince Gordon Dadds climb back to safety?

The genuine regret with which numerous market commentators and former partners talk of Ince's downfall arguably bears testament to the firm's historic repute. Many remember the controversial rescue deal which saw listed firm Gordon Dadds snap up Ince & Co in 2019 as part of a pre-pack administration. As one rival shipping partner recalls: 'When the news broke, there were quite a few people on my floor in the shipping market and they were upset about what they saw as the collapse of an institution.'

Neither Ince nor the market were under any illusions. This was very much a rescue deal, not the culmination of a longstanding strategy. A few months after the deal, a scathing March 2019 administrator report from Quantuma found that the Ince business would have collapsed just weeks later had the deal not gone through. It noted that the equity partners had 'no appetite' to step in and raise £8.5m in additional capital to save the firm. Responding to the report at the time, Ince's then managing partner in Germany, Jan Hungar, conceded: 'This demonstrates what we said at the time of the acquisition, that the deal with Gordon Dadds was essential to ensure that Ince continued to operate and enable us to grow.'

Notwithstanding the inherent high-risk nature of the buyout (Gordon Dadds' business model rests on acquiring distressed businesses), the outcome has been far from ideal. This year alone, Ince Gordon Dadds has been a near permanent fixture in the headlines – and often for the wrong reasons. As one City managing partner grimly notes: 'Unfortunately, you get remembered for your last headline. You don't want people to think you have a culture problem.'

The year started slowly for Ince after the £10m buyout of mid-cap investment banking company (and its own corporate adviser) Arden Partners was stalled by regulatory constraints, with the process dragged out for months from January to April.

Then came a downbeat set of financial results in May 2022, albeit arguably due to circumstances outside the firm's control. A significant cyber attack in March, which was later estimated to have cost the business £5m, was cited as a major factor in its revenue slipping 3% from £100.2m to £97m.

Ince also partly attributed the downturn to Russia's invasion of Ukraine, which it claimed affected global shipping, 'a key market for us'. Further, Covid was highlighted as a major factor, 'impacting the UK market from the end of November 2021', as well as the firm's offices in China.

The year has also featured an unedifying series of gaffes. In May, Ince attracted unwanted attention after a group of its lawyers was accused of acting inappropriately in a Cardiff eatery. Cora restaurant owner Lee Skeet alleged in an email that the group had 'talked down to, disrespected, and touched unwantedly' a 22-year-old waitress named Lily.

Then over the summer, the firm owned up to a pensions payment blunder which saw Ince pay pension contributions into the wrong account, for which the cyber attack was allegedly to blame.

Such was the damage that, in July, Ince stated it needed to raise £8m to avoid 'financial difficulties'. The firm also parted ways with chief executive Adrian Biles, previously the managing partner of Gordon Dadds, who guided the firm through its float before acquiring Ince. Biles was replaced by Donald Brown, formerly chief executive of acquired business, Arden.

In August the firm managed to raise £9.5m through the sale of shares, and in September Ince announced it was removing a £2.9m payment from its balance sheet via the sale of one of its businesses, tax consultancy CW Energy.

While these prudent financial measures may have steadied the ship, they were overshadowed by the news in September that Biles was being ousted altogether. An ominously-worded RNS statement read that Biles had 'been removed as a director of the company with immediate effect, as a result of circumstances which may give rise to a conflict of interest between Adrian Biles and the company'.

The firm has not expanded on the opaque statement, but market commentators have their theories. One ex-partner describes Biles as a 'difficult figure' guilty of 'leadership and strategic failures', ultimately undermining what was a popular decision to float. The former partner elaborates: 'When a problem arises you can either take a constructive approach or you can be difficult, and he went for the latter.' A rival shipping partner simply states: 'I don't think Biles was the best thing for them.'

In September, Ince announced it had settled claims with both Adrian Biles and former finance head John Biles. As per the settlement, all parties waived their claims against one another, and the duo paid £670,000 to the firm, while Ince paid £690,000 to both 'relating to claims for loss of office, rent and other expenses'. It was announced that a further £15,000 would be paid to both 'for loss of office and their interests in shares in the company'.

Hardly surprising then that the firm has endured cultural reversals during this challenging year. One rival partner paints a picture of fiefdoms: 'Ince has some big personalities who bring in a lot of profit. As such, I hear the firm is pretty lax in terms of oversight. In any case it's not a happy ship.'

Perhaps inevitably, these tensions have amounted to departures – nine partners have left the firm since March. Now, market commentators question the calibre of those remaining. One partner at a rival shipping firm notes: 'Some people were tied down after the listing for a period of time but I don't think the good ones stayed long after. There's not much quality left. They probably promised a lot in terms of associate pay, but let's just say we see a lot of CVs.'

'The strategy was a good one but there were problems of execution. Once that happens, I'm afraid in any corporate it will get to a position where you have to have a change of management.'

John Llewellyn-Lloyd, Arden Partners

Despite the gloom, there is optimism to be found. Some have praised the firm for what can be viewed as a necessary and brave leap into the public markets, a desperate attempt to save jobs and preserve the Ince brand. One managing partner is keen to remind detractors that listing is not just a flight of fancy: 'I can understand why people would describe it as "the death of an institution" but you have to give the firm credit for breaking the norm. They clearly thought [the Gordon Dadds deal] would give them a way of breaking that perception. You have to have a good strategy to sell to investors, going through the process almost validates itself.'

And many agree that, on paper at least, there was a convincing pitch to investors. John Llewellyn-Lloyd, joint head of corporate finance at float adviser Arden Partners, recalls the Ince pitch as 'a cross-selling strategy'. He adds: 'They were very much in the middle of the market seeking to grow and develop, and they were going to use the capital to do that.'

But ultimately, Llewellyn-Lloyd concurs with the prevailing sentiment that good strategy combined with poor leadership only gets you so far: ''The key point was with the benefit of hindsight, the strategy was a good one, but there were problems of execution. And then, once that happens, I'm afraid in any corporate it will get to a position where you have to have a change of management.'

As one former Ince partner concludes: 'The deal could have worked, but Covid came along and then there were the leadership issues. It's difficult to point to one specific factor, but if you asked me what I would have done differently, it would require an entire book to explain.'

Ince did not respond to requests for comment. LB

tom.baker@legalease.co.uk
@TomBakerLB

Living for the city

With a marked return to form after a couple of years of modest growth, is the London mid-market making a comeback?

MEGAN MAYERS

Illustrator HARRY MILBURN

'The areas that had a strong rebound were everything that had been most severely impacted at the time of March 2020.'
James Knight, Keystone

For the 23 City and boutique firms that fall into the second 50 in this year's *LB100*, average turnover is up 11% to £53.4m, marking the largest growth across all groups.

'A couple of years ago people were saying it was the death of the mid-market. We don't buy that. We think that the mid-market is alive, strong and kicking,' says Fladgate's managing partner Grant Gordon.

For those mid-size City firms and boutiques occupying the 51-100 bracket, an average increase in turnover doesn't tell the full story. With average lawyer numbers up 11% to 199 lawyers from 179 last year, revenue per lawyer fell 1%, meanwhile profit per lawyer was down 4%. Profit per equity partner (PEP) is also down 3%, despite average equity partner numbers remaining close to last year at 28.

As the most mobile section of our top 100, the group has undoubtedly been impacted by new entrants and exits, and as such changes to their average performance are to be taken lightly. One such exit saw litigation boutique Stewarts rise into 45th position after a 43% revenue boost up from £79.7m to £113.8m, which the firm impressively combined with a 93% hike in PEP.

Drilling down into individual firm performance is where the real narrative can be seen. Gordon, for example, has reason to be assured of the mid-market's resilience, after Fladgate had the largest revenue increase of the second 50, up 32% to £67.4m from £51.1m last year. This saw it progress to the 62nd spot. Across the top 100 firms, it is second only to Stewarts for revenue growth. Fladgate also reported the second-highest PEP of the bottom 50 with £895,000, second to Sacker & Partners which broke the £1m barrier.

This marks a return to form for the firm after a 9% revenue fall last year. Says Gordon: 'When the lockdown happened, there was an immediate cessation of activity and, being very transaction-orientated as a firm, that's why we didn't have a great 2020/21. But I'm glad to say that for 21/22, things bounced back quite radically. I have to be honest, it has been better than we expected, but happily so.'

The firm is also seeing its growth strategy paying off, following the hire of 10 laterals in 2020 and the same again in 2021. Gordon expects the firm's bullish growth strategy to continue: 'Like all businesses if you've had a year of big growth, it should be well advised to stop and digest a little so as to not lose the culture, which is something everyone goes on about. But you just have to absorb people, get people in the same direction and buying into the strategy.'

Keystone turned in the second-strongest performance among the second half of the table, up 27% for the full year to January 2022, significantly outpacing its 11% revenue increase last year. This brought turnover to £69.6m, elevating the firm nine places to 60th position. The firm also ascribes these gains in part to the recovery of the market, says managing partner James Knight: 'We do quite a lot in the hospitality area, so that has had a strong rebound. The areas that had a strong rebound were everything that had been most severely impacted at the time of March 2020. That was very much the conveyancing side and the transactional side, whether it's M&A or property.'

However, despite hiring 41 principals (partner equivalents) over the last financial year, overall principal numbers sat at 399 as of July 2022, up only 13 (3%) from 386 in July 2021, for which Knight blames on the much-touted tussle for talent, which he expects to change as market conditions adjust to the economic headwinds: 'Over the last two years, we've seen an incredibly competitive recruitment market. We have still recruited more partner-level individuals than any other law firm in the country, but it's much less than we would have expected. But the conditions are going to change and the recruitment market will not be as challenging. The less other firms recruit, the more we do, so we are sort of countercyclical in that respect.'

Keystone's half year results up to 31 July 2022 paint a sanguine picture for the year ahead, with revenue up 9.3% on the same period last year to £36.8m.

Another testament to the alternative business model, gunnercooke, enters the *LB100* for the first time with revenues of £48m. The firm reports growth of 51% for the last financial year, partly as a result of opening new offices, including in New York which it launched in April 2022. Says executive chairman Darryl Cooke, who has ambitious goals for the year ahead expecting to reach £100m in revenue by the end 2023:

'The firm was begun as an antidote to PEP and PPP, which we believe is very damaging to the industry of law. Lawyers are responsible for their own lives and their own earnings. That has led to over 95% of our lawyers earning more than they did before and their earning potential is unlimited. It has also led to very happy lawyers.'

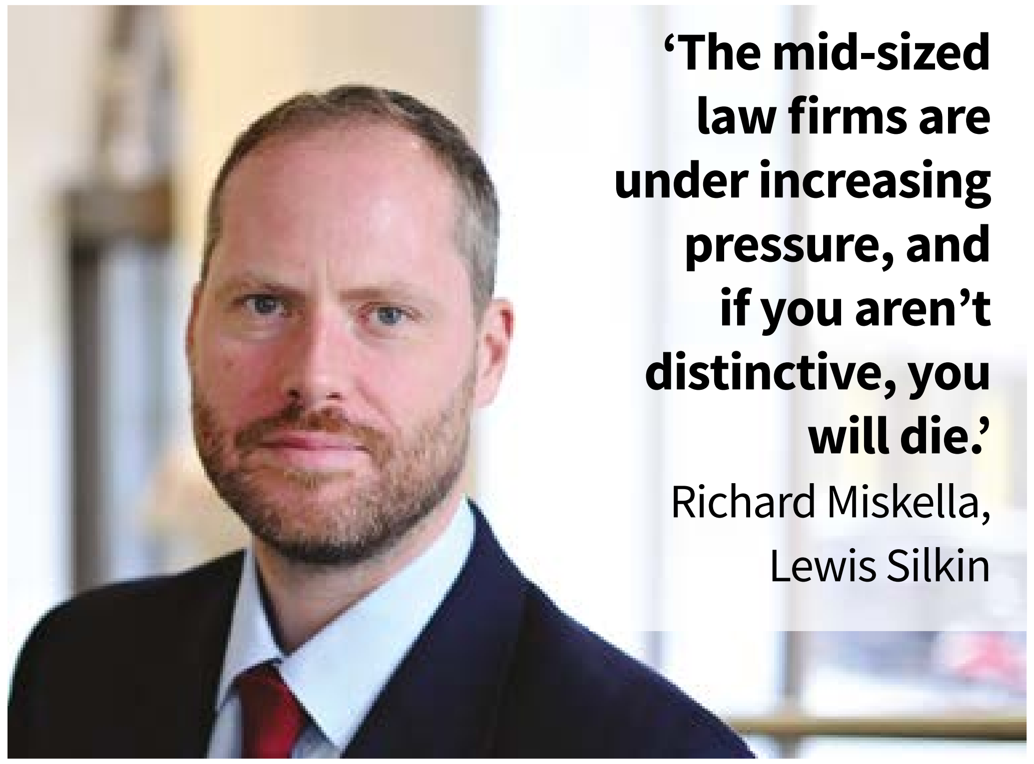
Meanwhile, Lewis Silkin has had a redemptive year, following up a lacklustre 3% revenue rise in 2021 with the fifth-highest revenue growth among the bracket in 2022. It bolstered both its turnover and headcount this year with an 18% revenue hike and 25% partner increase up from 59 to 74. A lot of this investment has been in Belfast, where it launched in 2021 following its tie up with local employment law specialist Jones Cassidy Brett, later combining with media, tech and IP practice Forde Campbell in January 2022.

Richard Miskella, who is joint managing partner alongside Giles Crown, credits both the market conditions and the firm's strategy, based around its five key practices, for this improvement. 'The whole legal sector has had a really good few years so we can't take all the credit! What we can take the credit for though is really clarifying and sharpening our message. The mid-sized law firms are under increasing pressure, and if you aren't distinctive, you will die. We're fiercely independent and want to focus on our own destiny.'

The firm started this year on an ambitious note with the launch of its Manchester office in September. Looking forward, the firm's sights are set on doubling down on its key areas, according to Crown: 'We don't have a strategy of getting into the top 50; we have a strategy of getting good people in the UK and Ireland. We want to be a big player in some of our core areas, and market-leading across IP, commercial, corporate, data and disputes.'

Similarly, Harbottle & Lewis' focused investment is paying off. It recorded one of the steepest five-year revenue growths among the second 50 with a 73% hike - despite a steady 8% increase this year.

Charles Leveque, who took over as managing partner from Glen Atchison who left the firm in June 2022, says: 'Over the last five years in particular, we've had a number of additions join us, particularly lateral partner hires during that time. The Covid pandemic was in some ways brilliantly timed for us, in terms of us being able to consolidate and make those people feel very much part of the firm and embedded within the infrastructure. We're pleased with the last 12 months and the growth that we saw in terms of revenue, in particular because of some of the odd circumstances.'



'The mid-sized law firms are under increasing pressure, and if you aren't distinctive, you will die.'
Richard Miskella, Lewis Silkin

The firm continued to invest over the last financial year. Headline hires include the additions of Marianne Kafena and Zoë Camp in the private client practice and the launch of a technology, data and digital group with the arrivals of practice head Emma Wright, data privacy partner Anita Bapat and Rupam Davé, who brings adtech experience, from Deloitte. Of the tech team, Leveque notes: 'Their arrival has really ensured that we can offer a much fuller service to big technology clients for whom we've traditionally provided other services on the IP and corporate side. Now we can actually get under the bonnet of what they do from a technology perspective.'

He concludes on an optimistic note, with consolidation and cross-practice collaboration at the centre of the coming year's strategy: 'We feel like there is a lot of latent potential that hasn't yet been realised, partly because a lot of people have joined recently and partly because of Covid. Once we have focused on ensuring that people are communicating with each other in a way that allows them to exploit those opportunities, we will fly.'

Of the firms faltering in this bracket, perhaps the most eye-catching has been Ince (see page 86). Before the full story of the firm's current struggles came to light, its early unaudited results reported a 3% revenue decrease, which it chalked up to the war in Ukraine and a cyber-attack in March 2022 which cost the firm around £5m in damages. However, its full-year results have been postponed following months of reports of ongoing financial difficulties in the firm revealing it needed to raise £8.6m to avoid 'financial difficulties'. This ongoing saga has culminated in Ince's former chief executive Adrian Biles leaving the firm.

With a mixed bag of results, it's clear that City and boutique firms falling into the second 50 are not out of the woods yet. With the upcoming anticipated recession and continued war for talent, the pressure remains on to push back against the mid-market squeeze in the coming year. LB

megan.mayers@legalease.co.uk
@meganmayersLB

CARBON FOOTPRINT: ENVIRONMENTAL IMPACT OF THE *LB100*

Around half of *LB100* firms provided data for their carbon footprint, expressed as tonnes (t) of carbon dioxide (CO2) equivalent (e), and in most cases independently verified. Where possible, we have divided the tCO2e figure by the number of lawyers at the firm to obtain an illustrative 'impact ratio'. The firms are sorted into bands below, with those with a larger global headcount inevitably having a higher impact ratio.

Net zero, or less than 0.1

Russell-Cooke

0.1-0.5

Ampa
Brodies
Clyde & Co
Cripps
Fieldfisher
Mills & Reeve
WFW
Withers

0.5-1

Addleshaw Goddard
Ashurst
Birketts
Capsticks
Forsters
Gowling WLG
Knights
Norton Rose Fulbright
Osborne Clarke
Taylor Wessing
Veale Wasbrough Vizards
Weightmans

1.0-1.5

Freeths
Hill Dickinson
RPC
Stephenson Harwood
Stevens & Bolton
Travers Smith
Womble Bond Dickinson

1.5-2.0

DMH Stallard
TLT

2.0-5.0

Allen & Overy
Bevan Brittan
Burness Paull
Charles Russell Speechlys
Hogan Lovells
Howard Kennedy
Lewis Silkin
Macfarlanes
Mishcon de Reya
Simmons & Simmons
Trowers & Hamlins

5.0-10.0

DWF
Freshfields Bruckhaus Deringer
Shoosmiths

10+

Herbert Smith Freehills
DLA Piper
Linklaters
Pinsent Masons

FASTEST-GROWING *LB100* FIRMS: REVENUE 2017-22

Firm	2017	2022	Change
Fieldfisher	£165m	£332m	101%
TLT	£74.6m	£144m	93%
Addleshaw Goddard	£197.8m	£377m	91%
Kennedys	£149.9m	£284.7m	90%
Birketts	£42.3m	£77.6m	83%
CMS	£826.9m	£1500.9m	82%
Macfarlanes	£167.6m	£303.7m	81%
Gateley	£77.6m	£137m	77%
DWF	£201.3m	£350m	74%
Harbottle & Lewis	£28.1m	£48.5m	73%

SLOWEST-GROWING *LB100* FIRMS: REVENUE 2017-22

Firm	2017	2022	Change
Blake Morgan	£74.5m	£61.9m	-17%
Winckworth Sherwood	£40m	£40m	0%
Weightmans	£95m	£103.2m	9%
Russell-Cooke	£34.2m	£39m	14%
Stephenson Harwood	£176.4m	£206m	17%

FASTEST-GROWING *LB100* FIRMS: PEP 2017-22

Firm	2017	2022	Change
TLT	£254,000	£826,000	225%
Hill Dickinson	£274,000	£636,000	132%
Clarke Willmott	£186,000	£424,000	128%
Bevan Brittan	£317,000	£678,000	114%
Taylor Wessing	£405,000	£800,000	98%
Hogan Lovells	£924,000	£1,806,000	95%
Shoosmiths	£361,000	£683,000	89%
Macfarlanes	£1,376,000	£2,493,000	81%
Walker Morris	£416,000	£735,000	77%
RPC	£322,000	£571,000	77%

SLOWEST-GROWING *LB100* FIRMS: PEP 2017-22

Firm	2017	2022	Change
Winckworth Sherwood	£873,000	£457,000	-48%
Mishcon de Reya	£1,100,000	£1,005,000	-9%
WFW	£620,000	£567,000	-9%
Stephenson Harwood	£753,000	£692,000	-8%
Forsters	£530,000	£491,000	-7%
Wedlake Bell	£372,000	£353,000	-5%
Gowling WLG	£415,000	£399,000	-4%
DMH Stallard	£267,000	£256,000	-4%
Russell-Cooke	£219,000	£217,000	-1%
Weightmans	£297,000	£297,000	0%

Steadying the ship

After weathering Covid well, 2021/22 saw revenue growth flatten among the regional firms in the second 50 of the *LB100*. Are the regional champions losing steam?

MEGAN MAYERS

Illustrator HARRY MILBURN

The 27 regional and national firms occupying the 51-100 spots in this year's *LB100* come in with an average of 267 lawyers and 27 equity partners. But despite weathering Covid well, with average revenue increases of 11% and 13% in 2020 and 2021 respectively, our 2022 report sees growth flatten out, with average revenue up just 4% to £54.9m.

Alongside static revenues, profit per lawyer (PPL) fell 5% with average lawyer numbers up 7%. Meanwhile, although firms managed to make profit per equity partner (PEP) gains — with the average up 14% to £402,000, outpacing last year's already robust 8% hike — this is coupled with a 10% decrease in average equity partner numbers.

Of course, some firms have bucked the trend, including Manchester-based JMW Solicitors, which turned in the strongest performance of the group with revenue growth of 25%. While this top-line growth is in part credited to its London office, which launched in 2019 and contributed £15.7m to overall revenue compared to £10.5m in 2020, its established Manchester office also saw a 19% hike in turnover. This follows several years of consistent growth for the firm, with revenues up 12% for 2021 and 24% for 2020.

However, the performance of national firm Blake Morgan more closely reflects the headline trends, with revenue remaining flat. PEP was up 14%, marking a return to form after falling by the same number of percentage points last year following the sale of its personal injury, clinical negligence and costs practices to Enable Law (part of the Foot Anstey group) in July 2020.

Managing partner Mike Wilson reflects on this: 'It was a good outcome, but not a fantastic outcome. We survived and did OK as a result of the pandemic, which was by no means a dead cert when all of us were sent home to work. The firm has gone through a lot of change over the years and the strategy we have now is about growth. As we have got the firm's balance sheet and financial structures in a good place with profitability rising, we can now afford to invest.'

But Wilson is alive to the challenges of the competitive recruitment market exacerbated by the advent of remote working: 'It has changed our recruitment strategy and it has widened the net for us, but it has also exposed us — and every other law firm — to those who have much deeper pockets in the hallowed halls of the City and can afford to take a bet on people who live in

'A combination of what's happening domestically and what's happening in Ukraine will present some economic pressures.'
Graham Street, RWK Goodman

Bournemouth, for example. They can say: 'you only need to come in a couple days a week so you can stay down by the seaside.' That's an attraction to people, and I wouldn't blame them for it.'

He adds: 'The market has been very buoyant, and some firms have had stellar results while some middle-market firms feeling the squeeze haven't necessarily. This might cause consolidation in a market that is already consolidated and probably needs to consolidate some more.'

This is a trend that is already coming to fruition. In last year's *LB100*, we saw the tie-up between Moore Blatch and Barlow Robbins in May 2020 and the acquisition of East Anglian firm Hewitsons by Harrison Clark Rickerbys in June. This year, we've seen this continue with the May 2022 merger of Bath-headquartered firm Royds Withy King (RWK), which occupied position 88 in last year's table, and City boutique Goodman Derrick, which brings together 360 lawyers under the RWK Goodman brand.

Edward Hoare, the former senior partner of Goodman Derrick, highlights the challenges driving this trend for smaller London outfits: 'It really comes down to economies of scale; it was just getting so expensive to be a small firm in the two hundreds. Insurance costs are about the same if you're 40 lawyers or if you're 150, you have all of these overheads that are not effectively graded and fair when you compare it to a larger firm. You're always on the back foot and we just didn't have that investment opportunity.'

For RWK, it adds City reach to a regional practice that independently made a 10% gain in revenue this year, rebounding from a 4% fall in last year's report. Graham Street, who was managing partner at RWK and remains at the helm of the merged firm says: 'We've made some strategic gains over the last 12 months, and we expect this to provide a stronger platform for us to continue to grow the business going forward, particularly in London.'

Street is quietly confident about the new firm's prospects: 'We're going to be at the mercy of the prevailing economic conditions and a combination of what's happening domestically and what's happening in Ukraine will present some economic pressures. We're a composite business with risks spread across commercial, private and industry sectors, and even within commercial we've got our risks spread and are quite diversified, so that will provide us with a certain degree of resilience.'

Continuing the theme of consolidation, there are new entrants in the Second 50 as a

'There is lots of talk about recession and the impact that it will have on the markets. On the other hand, corporates still have very strong balance sheets.'
Peter Lawson, Burness Paull

product of new alliances. House of brands group Ampa (which includes Shakespeare Martineau, consumer firm Lime Solicitors, debt recovery practice Corclaim and Sussex solicitors Mayo Wynne Baxter) came in at 55, an improvement on Shakespeare Martineau's 58th place last year.

Sarah Walker-Smith, CEO of Shakespeare Martineau — which saw organic growth as an isolated brand and is set to merge with Bristol-headquartered GL Law later this year — is keen to highlight the benefits of Ampa group alliance for clients: 'The house of brands set-up means we've got a broadened offering for clients. It's a one-stop-shop idea really. Clients have the breadth and access to additional services but we also have more flexibility of resources, so we can manage peaks and troughs very quickly.'

It also allows individual brands to retain a level of autonomy, she explains. 'What's different about the Ampa system compared to a single law firm is that each brand can make local decisions. With things like our trainee recruitment, which is run across the whole group, it makes sense for us to do things together, but looking at pricing and salary inflation, it makes complete sense to do it by brand rather than having a single national sledgehammer approach.'

Walker-Smith contrasts Ampa's model with Knights, which now sits in position 42 of the table having quickly gained revenue and moved out of the Second 50 last year. Knights' revenue has boomed 69% over two years to £125.6m in 2022 as a result of buying out smaller firms, though in doing so, it has also gained debt of £28.9m, up 83% from £15.9m in 2020. Says Walker-Smith: 'We don't want to follow that model. We want to continue to merge rather than acquire because we want people to be motivated and feel that they're part of something, not that they've just been bought out.'

Looking North, Scottish independents proved characteristically stable with an average 5% rise in turnover this year, though this now excludes Brodies, which saw revenue balloon 19% boosting it up out of the bottom half into 50th position. Of the remaining firms, Burness Paull leads the pack, tacking on 9% to its turnover for 2022.

Among its areas of growth, Burness Paull credits its housebuilding practice and corporate transactions in the tech space. The firm also established a private client practice as a reaction to demand, according to chair Peter Lawson: 'We had clients who were seeking our services in relation to high-end family matters and rather than let that work pass on to another firm, we took the strategic decision to hire the leading team in the market. We're seeing the benefits already from that. They joined halfway through the year, and they have delivered significantly more in terms of revenue than we had projected.' Lawson is referring to the launch of its family law practice in February, with the hires of Richard Smith and Jennifer Wilkie from Brodies.

▶ Shepherd and Wedderburn has seen consistently steady growth, following up on its 4% increase in revenue last year by adding 5% this year. Managing partner Andrew Blain notes: 'The past 12 months was the first year of our revised strategy, so it was very much a year of investment, both in people and offices. We hope to see those investments bear more fruit in the next year or two, but we're pleased nonetheless to deliver a strong year with 5% revenue growth and 3% profit growth.'

The firm also continues to see growth in its private client practice following its February 2021 coup, which saw it gain a 20-strong team from Dentons. Blain points to technology, infrastructure and clean energy practices as other areas of focus, with the need for the latter exacerbated by the current energy crisis. 'They are long-term projects, which were planned and underway long before current geopolitical events, but it's only natural that there's more focus on those projects and more desire to get on with those projects and make them happen.'

Going forward, the Scottish firms echo the same apprehension felt across other firms occupying the Second 50, says Lawson. 'The market is going to be challenged. There is lots of talk about recession and the impact that it will have on the markets. On the other hand, corporates still have very strong balance sheets, although some sectors less so because of the impact of Covid and then high inflation. Private equity has got lots of dry powder, so there is still lots of investment capacity across the market.'

While managing partners are near unanimous in the view that a UK recession is on the horizon, Street takes an opportunistic view that a slowing of the market could steady the stratospheric salary inflation that is increasingly slipping into the regions. 'Taking the heat out of the market is probably going to be a good thing for most firms. The wage market for newly qualified lawyers and associates is very hot, and tighter economic conditions might bring that down to more normal levels.'

According to Wilson, this is particularly critical if firms are to push ahead against the economic headwinds: 'It's important because if you don't grow, you start to slide backwards. In adversity, opportunity also arises. Growth is key and recruitment is key.'

But as Walker-Smith notes, there is an air of uncertainty about the impact of upcoming trends, particularly after an unexpectedly busy transactional market over the summer.

'At the moment we're OK, but you need a crystal ball to know what's going to happen in the next two or three years with the economy the way it is.'
Sarah Walker-Smith, Shakespeare Martineau

'At the moment we're OK, but you need a crystal ball to know what's going to happen in the next two or three years with the economy the way it is.'

Reaching for the coffee table in front of her, she adds: 'I'm touching wood as we speak, but we haven't yet seen a massive spike in insolvencies, which I expected, and nor are we seeing any drop off in transactions — yet. But everyone is saying it... it's only a matter of time.' LB

megan.mayers@legalease.co.uk
@meganmayersLB

LOCK-UP PERFORMANCE

More than half of *LB100* firms disclosed their lock up, defined in days as the sum of unbilled work in progress and debtors not collected (excluding VAT). Change in number of lock-up days from last year's report, where applicable, is indicated in brackets. The average here, at 125, is very high but seven fewer days than last year. Ten of the participating firms have lock in excess of 150 days. Excessive lock-up can be a serious problem. If a firm has a lock-up of 150 days, it doesn't get paid for work until five months on average after it has finished. gunnercooke is the strongest performer in this regard, keeping lock-up to just 42 days – considerably ahead of the pack. Meanwhile, CMS, Osborne Clarke and Pinsent Masons are standout performers among the top 25 firms.

gunnercooke	51 (n/a)	BDB Pitmans	125 (1)
Stevens & Bolton	64 (16)	Harbottle & Lewis	127 (-26)
CMS	71 (1)	WFW	127 (-2)
Keystone Law	78 (-10)	HFW	127 (14)
Weightmans	81 (-29)	Brodies	129 (1)
Knights	85 (n/a)	Burness Paull	130 (n/a)
Wiggin	85 (-4)	Wedlake Bell	133 (-24)
Lewis Silkin	86 (-9)	Forsters	134 (25)
Farrer & Co	89 (4)	Michelmores	134 (-9)
Sacker & Partners	92 (2)	Mills & Reeve	135 (8)
Womble Bond Dickinson	93 (n/a)	Capsticks	135 (15)
Cripps	94 (-6)	Withers	138 (18)
Harper Macleod	95 (5)	Fieldfisher	141 (1)
Osborne Clarke	95 (13)	Thorntons	141.8 (n/a)
Bristows	100 (n/a)	Blake Morgan	144 (10)
Boodle Hatfield	102 (4.6)	Charles Russell Speechlys	144 (4)
Pinsent Masons	103 (19)	Allen & Overy	145 (n/a)
Addleshaw Goddard	103 (2)	Payne Hicks Beach	145 (20)
TLT	107 (-16)	Howard Kennedy	154 (1)
RGB	109 (n/a)	Walker Morris	157 (-40)
Bevan Brittan	110 (21)	Kingsley Napley	161 (35)
Birketts	113 (n/a)	Brabners	164 (-13)
Hill Dickinson	116 (n/a)	Trowers & Hamlins	173 (9)
Fladgate	119 (n/a)	Shoosmiths	178 (10)
Clarke Willmott	121 (0)	DWF	179 (-7)
Fox Williams	121 (n/a)	Ampa*	193 (41)
Veale Wasbrough Vizards	122 (n/a)	JMW Solicitors	228 (n/a)
Bryan Cave Leighton Paisner	125 (n/a)	Fletchers Solicitors	275 (n/a)
		Average	125 (-7)

1992-2002: Teen spirit

As globalisation and technological innovation transformed the landscape, the leading City law firms started to mature into the international giants we know today

CHARLES AVERY

'Thirty years ago, the legal press didn't exist,' says Pinsent Masons managing partner John Cleland. 'Deals were sometimes reported and occasionally they would find their way into the newspaper – but very rarely would the law firm's name be mentioned. Now firms and the legal press have a very active dialogue on things, ranging from analysis to commentary on trends. We never had that thirty years ago.'

Indeed, much has changed in the 30 years since *Legal Business* first asked firms to cough up their financial results. And calling it the *LB100* then would have been wildly inaccurate, what with the first report only including some 35 firms. It was not until the following year that the report graduated into a truer reflection of the business of law.

Topped and tailed by economic downturns, the decade from 1992 to 2002 was characterised by a London legal community exposed to an increasingly connected international landscape. The domestic market had crystallised in the preceding years and with it the top players were inducted into the Magic Circle by the legal press. Still largely recognisable as the same beasts today, it was these firms which would pioneer as City institutions started to outgrow the Square Mile and went in search of international acclaim.

HERE COMES THE HOTSTEPPER

'Casting my mind back to when I was applying for jobs 30 years ago, a number of the firm names would be the same. Some of the Magic Circle and Travers Smith were obviously in there – but there are a whole load of names that have just kind of disappeared,' says Edmund Reed, managing partner of Travers Smith. Certainly, a number of once prominent names have been consigned to the annals of history, with Frere Cholmeley Bischoff, Turner Kenneth Brown, DJ Freeman and Wilde Sapte just a few examples.

That said, a glance at the original list of top firms by revenue yields many familiar faces. Members of the Magic Circle occupy five of the top six positions, accompanied by Lovell White Durrant (now Hogan Lovells). Now *LB100* stalwarts, Simmons & Simmons, Herbert Smith (now Herbert Smith Freehills) and Norton Rose (now Norton Rose Fulbright) also reside in the top ten.

Conversely, Cameron Markaby Hewitt and McKenna & Co are notable absentees from the modern-day list, having respectively held 12th and 13th positions in 1992. The two merged in 1997 to form Cameron McKenna, which in turn acquired Nabarro Nathanson in 2017 and assumed its current moniker of CMS.

Simon Beddow, European leader in corporate and finance transactions at Bryan Cave Leighton Paisner and a partner at Ashurst for much of the period in question, recalls: 'In 1992, Clifford Chance would have easily been the biggest law firm. When Coward Chance and Clifford Turner merged in 1987, everyone was incredulous that there was going to be a firm with 100 partners.'

The stats back up Beddow's point. Our inaugural table had CC way out in front, with 1,168 lawyers and £245m in revenue. Linklaters (then Linklaters & Paines) is a distant second, with 718 lawyers and £154m in turnover. For context, both firms now have revenues approaching £2bn.

The next ten years saw the City's leading firms expand their horizons. The establishment of the European Single Market at the start of 1993 opened the door to a whole new world ▶

Illustrator HARRY MILBURN

'When I joined RPC, we had a bunch of disconnected terminals, and still had typewriters. You could also still smoke in the office – we had enormous ashtrays everywhere!'
James Miller, RPC

'Firms now have to be much better at defining who they are and what their proposition is for upcoming talent.'
Penny Angell, Hogan Lovells

of opportunities, and in time, some would establish themselves as pioneers of European expansion.

Beddow explains: 'The mid-nineties was the Linklaters Alliance era – the firm had a more formal alliance with lots of leading European law firms as they tried to create a one-stop-shop for their clients. By the late 90s, many of the heritage firms had adopted the name Linklaters. The firm started to build a presence in Paris and Germany and showed serious intent to build scalable credibility in mainland Europe. Freshfields had also started to grow at that point, because by the late 90s, Freshfields had merged with Bruckhaus and with Deringer.'

Allen & Overy also underwent a seismic strategic shift. In 1992, the firm sat in sixth place in our table with a top line of £112m, chasing the rest of the Magic Circle and Lovell White Durrant. Ten years later, the firm would be nudging £600m in revenue, largely due to a European expansion strategy – the highlight of which was the 2000 merger with Benelux firm Loeff Claeys Verbeke – which added significant firepower in Belgium and Luxembourg.

The union brought a young Wim Dejonghe, A&O's senior partner since 2016, into the merged firm's fold. 'I was a managing partner in Benelux in 1996!' he laughs, on hearing the birth year of one *LB* reporter.

Fast forward a few years and it was becoming clear that the globetrotting appetites of leading players would not be satisfied by Europe alone, with 1999 marking the beginning of the transatlantic merger phenomenon. Clifford Chance's tie-up with Rogers & Wells would be followed by numerous similar moves in the coming years.

LIVING IN THE MATRIX

Working practices have also changed beyond recognition in the last 30 years, as RPC managing partner James Miller notes: 'When I joined RPC in 1995, we had a bunch of disconnected terminals, and we still had typewriters. You could also still smoke in the office – we had enormous ashtrays everywhere!'

The heralding of the internet, as well as the proliferation of mobile phones and laptops, means that lawyers need no longer be chained to their desks into the small hours. 'There's a much better environment now for people in how you create connectivity to the workplace and enable those people to work effectively, wherever they may be. There just wasn't the same regard to that in the 90s because the technological tools weren't available,' notes Shane Gleghorn, Taylor Wessing's managing partner.

More connectivity seems good news on paper, but the result is that the old approach of leaving work at work has increasingly fallen by the wayside. Miller adds: 'People have 24/7 availability now. As a firm, we monitor when partners are working too many hours for too long, but pressure from clients and remote working means that the danger is always there.'

Part of the reason for a more balanced employer/employee relationship is arguably due to lawyers holding more power, as a saturated market forces firms to scrap for the best talent. The exponential increase in newly qualified salaries is testament to this, but it is true for more senior lawyers too.

Penny Angell, Hogan Lovells' UK managing partner, explains: 'Twenty-nine years ago when I joined Hogan Lovells, you joined a firm with the idea that you're probably there for your whole career with aspirations to be a partner. There weren't many in-house roles, and those were, wrongly so, looked down on by some. That has changed an awful lot. Once we saw some of those first big moves it was never an expectation that most people joining law would stay at the same firm. Therefore, firms now have to be much better at defining who they are and what their proposition is for upcoming talent.'

And it's not just lawyers that are more willing to jump ship, says Angell: 'Clients are less loyal. They are under cost pressures and it's more regular now to be put through competitive processes, for panel appointments, but also for individual mandates. Lawyers have all had to learn to be better salespeople. Being able to go out and bring in the work rather than just relying on institutional relationships with clients who would always instruct you.'

AMERICAN PIE

Then there is the oft-cited development of US firms pricing rivals out of the market. 'There were very few, if any, US firms in London 30 years ago and obviously that is a trend that has changed. The legal landscape of firms in the City has really shifted over that time,' notes Reed.

Nevertheless, the foundations had started to be laid. 'A number of people will feed back that the arrival of the US firms is a recent development, but looking at the data, lots were in London already, many for decades. If you wanted an awful lot of money, you went to a US law firm, but too often that meant a compromise in culture,' notes Jonny Myers, CC's head of private equity and a partner at Lovells for much of the decade in question.

Indeed, Cleary (1971), Skadden (1988), Simpson Thacher (1978), Latham & Watkins (1990), Kirkland & Ellis (1994) and Weil Gotshal & Manges (1996) were all established in the capital by the mid-90s.

However, the impact US firms would have on the market could scarcely have been imagined then. 'In 1998 I used to visit a friend at Latham and they had about 14 lawyers,' recalls Beddow. For reference, Latham's London office now boasts nearly 500.

The types of work most coveted has also changed in the intervening years. Leaf through the financial press today and you will invariably be confronted by a multitude of private equity deals involving high profile companies and eye-watering numbers, often led by New York-headquartered outfits.

That wasn't always the case, as Myers explains: 'The scale of private equity today is massive compared to what it was then. The sophistication has been transformed. Through the dotcom burst, the public markets were down around 40%, while private equity was only down 7% in value. So private equity evolved, being seen as a more credible longer-term investor.'

Beddow agrees: 'In the mid-90s Ashurst and Clifford Chance were the two biggest private equity firms in the UK market. To be honest, we always felt that other firms regarded private equity as slightly unexciting. It was terribly intensive in terms of people – the deal sizes weren't huge compared to big, listed company and takeover work. It was slightly unglamorous stuff. Towards the end of the 90s, we started to see the £100m, £250m, £500m deals. By the early 2000s, there were multibillion-pound buyouts and suddenly everybody else started to get really interested.'

INFINITY AND BEYOND

Ultimately, the decade following 1992 saw law firms massively increase in complexity as well as geographical scope. The initial European expansion would pave the wave for global developments seen in the following years, while the importance of the London market on the international stage would spur increasing numbers of US firms to cross the Atlantic. The movement towards the mature industry we see now had started in earnest.

Julian Howard, managing partner of Macfarlanes from 2010-2022, having joined as a trainee in 1984, sums up: 'Law firms are proper businesses now. When I joined, we were just having that debate as to whether we were a profession or a business. We are quite clearly businesses where we're all properly managed. Everyone has benefited from this shift. Clients get a significantly better, more valuable, service and firms are significantly better as providing that service.' LB

charles.avery@legalease.co.uk
@CharlesAveryLB

2002-12: A decade of two halves

Industry veterans remember a decade which formed the modern legal profession, from the dizzying heights of globalisation to the humbling which followed the 2008 financial crisis

TOM BAKER

More so than the decades which came before or followed, the years between 2002 and 2012 are defined as a stark binary between boom and bust for *LB100* firms.

For many current law firm leaders who practiced throughout that decade (some of whom had just started their careers), the early 2000s was an intrepid time characterised by globalisation, with some firms more successful than others at embedding their brand across borders.

By contrast, the end of the decade saw a mass chastening by the 2008 global financial crisis, forcing firms to rethink their business models. The winners and losers of the crisis can still be seen – or perhaps more aptly – not seen, today.

As Wim Dejonghe, Allen & Overy (A&O)'s senior partner, summarises: 'At the start of that period, globalisation was happening, with English firms expanding in Europe and Asia. In contrast, 2008 was a wakeup call which changed the industry completely, forcing firms to focus on efficiencies and cost. For the first time English firms looked at capacity and asked people to leave. More business logic kicked in.'

GLOBETROTTING

Emerging from the hubris of the '90s, *LB100* firms were perched atop a dotcom bubble which promptly burst in 2001, leading to a few lean years for the UK's leading players. This saw Magic Circle firms reach their profit nadir in 2003 and 2004. Freshfields Bruckhaus Deringer's profit per equity partner (PEP), for instance, hit a low of £675,000 in 2004, while Clifford Chance dropped to £562,000 that year (as of 2022, both firms' PEP figures comfortably break the £2m barrier).

If there was a spark of hope for UK law, it came in the form of globalisation. The 2002-12 years started with a series of pioneering transatlantic tie-ups. In 2002, City firm Rowe & Maw struck a lucrative deal with Chicago's Mayer, Brown & Platt, which saw the Londoners both retain their name in the merged entity (for a few years at least) and significant decision-making powers in relation to the London equity.

City firms Gouldens and Richards Butler followed suit in the years after (being consumed by Jones Day and Reed Smith respectively), but as our recent 'State of the Union' cover feature on transatlantic combinations concludes, these 'mergers' were evidence of the impending US domination of London rather than any globetrotting success on the part of the English firms.

As Lee Ranson, Eversheds Sutherland's co-chief executive, notes: 'There was a lot of growth in London at the time, but it was also the period when people thought that while London was important, it would not dominate on the global stage. You only have to look at the emergence of the American firms, and where they are now!'

Rather, the early 2000s globalisation success story came from the most unlikely of sources. Spearheaded by the charismatic Sir Nigel Knowles, the 2002-12 period saw the dramatic ascent of DLA Piper from UK regional player to global primacy, a meteoric rise unthinkable in the modern market. In his time at the helm, Knowles took DLA from just six UK offices to becoming the world's largest firm by revenue in 2009. Underpinning this transformation was the eye-catching tripartite merger in 2005 with American firms Piper Rudnick and Gray Cary Ware & Freidenrich, forming a global behemoth with 20 offices across the US.

John Joyce, managing partner of Addleshaw Goddard, notes: 'I remember when DLA was just a small UK firm and what they've done to turn into a global brand is absolutely stunning. They are the best and only example of a small, average regional firm that has created a global brand.'

DLA was far from the only firm to use the decade to expand internationally – a host of challenger firms scrambled to catch up with the Magic Circle's entrance into the European market a decade prior. Fieldfisher, for example, opened in Germany, France and Belgium in 2007, Herbert Smith Freehills entered Spain in 2009, while Eversheds planted flags in Italy, Hungary, Austria and a host of other jurisdictions throughout the decade.

By 2012, thanks in no small part to the *LB100*'s globetrotting firms, industry-wide revenue had ▶

'I remember queues outside Northern Rock – there was a huge question as to whether the entire financial system would survive.'
Lee Ranson,
Eversheds Sutherland

'That decade for me is when people started talking seriously about the climate, following the Kyoto Protocol in '97. That was the awakening of people.'
Gareth Price,
Allen & Overy

increased eightfold from £2.7bn in 1992 to £17.67bn (combined revenue for the sector sits above £31bn today). As Dejonghe comments: 'For firms, it was simply a case of following the clients. It was the globalisation of all industries which forced law firms to do the same.'

CRISIS MANAGEMENT

Get a group of senior lawyers in a room and ask them about the decade bookended by 2002 and 2012, and most will shake their heads ruefully about the 2008 financial crisis. As the crash gets progressively distant in the rear-view mirror, it can be tempting to downplay its importance, but the gravity of the crash and its lasting impact is still felt acutely in the legal profession.

As Ranson recalls: 'Ironically, the period immediately before the crash was the most buoyant corporate market I have ever seen. In that sense, the difference between 2006 and 2008 was stark. I remember when the crash happened, sitting around board tables saying: "Ah, there were five bidders for this entity, and now there's one." But suddenly all of it was gone. The work completely dried up.

'I remember queues outside Northern Rock – there was a huge question as to whether the entire financial system would survive.'

The crash certainly claimed its victims – just two years later, Manchester firm Halliwells collapsed in part due to the recession, but more notoriously for a £20m payout to equity partners linked to a property deal. But worse was to follow in 2012, when Dewey & LeBoeuf, a firm that once turned over $1bn at its peak, collapsed following the disastrous merger of insurance and energy player LeBoeuf, Lamb, Greene & MacRae with the fading New York grandeur of Dewey Ballantine.

Despite these seismic collapses, today, some partners reflect on the crisis philosophically. Says Slaughter and May corporate co-head Simon Nicholls: 'There was quite a big shake-up after the financial crisis. Though fewer firms disappeared than you might have expected when things first hit, a lot of firms changed their size, structure, shape and practice mix following that. Some areas were hit more than others – real estate and the mid-market – and I suspect there were fewer lawyers in many City firms as a result, at least for a while. But I was always surprised that the longer-run impact of the financial crisis was lower than it might have been.'

Ranson goes as far as to argue the crisis provided a shake-up that the profession much needed to root out sloppy inefficiencies: 'The dominant feature of that decade would be the global financial crash. That led to a big reshaping of the market. The market recovered relatively quickly but firms changed their structures and how they resourced themselves as a result. It used to be "one partner, one PA", but because of the crash the whole sector became more professionalised. It saw the rise of chief operating officers and accountants in law firms.'

The newly installed management team at Watson Farley & Williams (WFW), Lindsey Keeble (managing partner) and George Paleokrassas (senior partner), recall that WFW 'didn't have the same crash others did' due to limited exposure to corporate. But thinking about the wider market, Paleokrassas argues the crisis produced an unforgiving split between winners and losers: 'There was a quick bounce back from the crisis for some firms with people taking advantage of huge restructuring work. That distinguished several firms that were able to capitalise on that. Meanwhile, you had other people struggling with huge teams that were completely under utilised. They went from churning work to a complete standstill.'

Arguably the greatest unforeseen impact of the 2008 crisis was the cementing of the US firms as major players in London. As Dejonghe outlines: 'Finance changed past 2008. Finance traditionally was global banks around the world, and six of the ten major banks were European in 2008. But the crisis made the European banks largely disappear from the global scene. That, combined with increased regulation, meant banks lost market share to the private money industry.'

Of course, the decade to follow would see the likes of Kirkland & Ellis and Latham & Watkins take London by storm as a result of that shift, betting big on private equity and seeing exponential growth as a result. This came at the cost of the Magic Circle and its traditional banking client base, in a shifting of London power dynamics still very much present in 2022.

In disputes, the 2008 crisis also provided a lucrative stream of work that saw the creation of conflict-free disputes-only shops (chief among them being the timely arrival of US firm Quinn Emanuel Urquhart & Sullivan in 2008) in London. The likes of Quinn, Enyo, Stewarts and Signature Litigation took advantage of this healthy workstream and the parallel emergence of litigation funding to establish themselves in the London market.

THE BLACKBERRY AGE

What else does this period conjure in the memories of senior partners? Undoubtedly the decade to follow has the most reasonable claim to being 'the ESG decade', but Gareth Price, A&O's global managing partner, attributes the first germs of environmentalism to this period: 'That decade for me is when people started talking seriously about the climate, following the Kyoto Protocol in '97. That was the awakening of people. It's continued to grow since then, but I remember it as the decade I started my journey into renewable energy. Shareholder capitalism started to go down the agenda, and the thought that businesses had a wider responsibility went up the agenda.'

Keeble drolly notes that 'getting a BlackBerry' was the most transformative thing to happen to her during the decade. She is not the only lawyer to speak of a 'pre and post BlackBerry age', whereupon client expectations radically shifted towards near-24/7 availability.

As John Cleland, managing partner of Pinsent Masons, concludes: 'When the technology was introduced, we thought it would increase our leisure time – the technology would manage everything and we could sit back for the rest of the day. Instead, it raised expectations and return times for clients – there's much more pressure now.' LB

tom.baker@legalease.co.uk
@TomBakerLB

2012-22: Don't look now

Commentators reflect on a decade defined by the proliferation of private capital, the shadow of Brexit and coronavirus – and the unstoppable advance of tech

MEGAN MAYERS

Shifts that started with the financial crash galvanised in the decade that followed. Predictions of the rise of US firms were hastened by the reputational demise of banking clients and the acceleration of the private equity market. 'Clients that were niche pre-financial crisis – the likes of Blackstone, KKR and Carlyle – became the successors of Wall Street. The shift from public capital to private capital helped the US firms. They tracked that change and broke open the market,' recalls Sebastian Prichard Jones, senior partner of Macfarlanes.

This shook the Magic Circle pedestal. 'The original Magic Circle no longer had the grip on the market. Instead, the market became broader, more open and no longer concentrated on the FTSE and the investment banks, making it a more interesting and diverse market for firms like ours,' adds Prichard Jones.

As the US firms made strides in the City, continued consolidation predicted in our 2012 *LB100* report come to fruition with transatlantic mergers aplenty. In 2013, Norton Rose finalised its tie-up with Houston firm Fulbright & Jaworski while Squire Sanders traded the *LB100* for the Global London table following its merger with Patton Boggs in 2014. Eversheds Sutherland completed its transatlantic combination with Sutherland Asbill & Brennan in February 2017, adding 50% to its headcount, while Norton Rose Fulbright added Bull Housser in Canada, Chadbourne & Parke in the US and Henry Davis York in Australia. In 2018, Bryan Cave and Berwin Leighton Paisner finalised their merger.

Redoubled globalisation efforts saw Ashurst expand into Asia-Pacific with its 2013 merger with Blake Dawson, while Dentons become the world's largest law firm in 2015 following its combination with 4,000-lawyer Chinese practice Dacheng. Domestically, similar trends of consolidation crystallised, notably with the UK's largest ever legal merger of CMS Cameron McKenna, Nabarro and Olswang in 2017, which saw CMS become the eighth firm to join the £1bn revenue club. The impact of such consolidation saw combined revenue of the UK's top 100 firms jump to £24.2bn in 2018, up 10% on the previous year, marking the largest increase in absolute terms recorded post-Lehman.

Though arguably, the biggest merger news of the last decade was of one that never happened. Allen & Overy's talks with US outfit O'Melveny & Myers, which were aborted in 2019, captured the market's attention as another Anglo-US combination without legs.

It reasserted the improbability of such a merger of equals. Observes Arun Birla, chair of the London office of Paul Hastings: 'A&O went on with that dance for a long while and still ended up walking off the dance floor without a partner. It's just not an easy thing to do.'

While the legal market did not shrink in the way many expected post-2008, the last decade saw several law firm casualties, resulting in a redistribution of UK talent. Shortly after the May 2012 fall of Dewey & LeBoeuf stateside came the winding up of Bingham McCutchen on this side of the pond in 2014. Influential partners jumped to US rivals Morgan, Lewis & Bockius and Akin Gump. In 2017, King & Wood Mallesons' European arm, which was made up of legacy *LB100* firm SJ Berwin, went into administration in 2017. Goodwin Procter, Greenberg Traurig and DLA Piper were among the firms to benefit from the fall-out.

Rob Shooter, managing partner of Fieldfisher, notes: 'Even for an industry as competitive as ours, there was no schadenfreude when we heard about the demise of these powerhouse law firms. There was: ''OK, what happened and is it but for the grace of God?'' There was a series of events that led to their downfall, but it reminded firms that they can never be complacent. We need to be on the ball the entire time and look after our clients and our people.'

The decade has also seen the rise of the conflict-free dispute specialist firms, fuelled by anti-bank litigation and spurred by the growth of litigation funding. More recently, the rise of the UK's class actions landscape has sustained their trajectory. One such firm is Stewarts, which entered the *LB100* in 2011 and has since risen the ranks, this year leaving the bottom 50 behind after a 43% revenue boom pushed it above £100m in turnover.

This has impacted defendant firms in the City, says Deborah Finkler, managing partner of Slaughter and May: 'It has been fantastic for us. They're not making headway – nor do they want to – in the defendant work but they have created the mass claimant market, which we are getting a huge amount of business out of. It has created the kind of litigation that just didn't exist ten years ago. We see huge amounts of competition litigation and now they are moving into mass tort claims.'

2012 marked the arrival of alternative business structures (ABS) and allowed for licensed UK law firms to accept external equity investment including through initial public offerings (IPOs.) This led to a string of law firm floats, with mixed results. Spearheaded by Slater and Gordon's float in Australia, Gateley became the first UK law firm to list, ▶

‘Diversity considerations used to come up annually with a couple of the banks. Now it is across sectors, across geographies. D&I is on everyone’s agenda.’
Georgia Dawson, Freshfields

‘If you took a lawyer from 1996 and dropped them into a law firm now, they would think they were in *Star Trek*.’
John Wood, TLT

▶ followed by Gordon Dadds and Keystone Law in 2017, Rosenblatt and Knights in 2018 and DWF’s landmark float in 2019.

More recently, Mishcon de Reya’s proposed IPO set the market talking about the benefits of outside investment. But as market conditions thwarted its floatation plans and several listed firms saw stock prices plummet, it’s unlikely other *LB100* firms will rush to list on the stock market.

APOCALYPSE SOON?

Even as post-Lehman troubles disappeared into the rear view, the UK legal market was hit with the uncertainty of Brexit in 2016. By the time of the 2019 *LB100* survey, the UK’s impending exit from the EU was paramount among law firm leaders, with this apprehension captured by the report’s ominous headline: ‘Apocalypse soon?’

While firms’ financials indicate that Brexit fears may have been overblown, concerns linger.

As Simon Nicholls, co-head of Slaughter and May’s corporate practice, highlights: ‘The thing that always worried me about Brexit was not some big one-off impact but the risk of a long-term chilling effect on the UK and London as a financial centre. You do occasionally just see the beginning of that – new listing stats in London, for example, despite government ambition to make London a more competitive capital market. But it’s impossible to be sure about attributing that to Brexit with everything else going on in the world. The longer-run chilling effect remains the worry, even if the blame game can’t be played accurately.’

However, Richard Smith, who runs the practice alongside Nicholls, is sanguine: ‘One positive of Brexit is that the government does have an opportunity to differentiate some parts of our economy from Europe to try to make us more competitive with the US. Deregulation generally is on the agenda for the new prime minister. I was surprised to hear in the first leadership debate the words ‘Solvency II’ and ‘MiFID’ coming out of Liz Truss’s mouth, but she’s talked a lot about liberalising the capital requirements for insurers, for example, to try to drive investment in UK infrastructure in particular.’

Clearly come 2020, Brexit concerns had been eclipsed by the Covid-19 pandemic. While few *LB100* firms’ financials faltered in the immediate aftermath, shades of delayed law firm collapses post-2008 still loom.

The unique challenges of the pandemic brought fresh concerns. Says Ashurst’s managing partner, Paul Jenkins: ‘The change in the way we work over the last 24 months has impacted the changing expectation of partners and staff in terms of work/life balance, flexible work and the recognition of family responsibilities. Law firms are expected to have the right policies in place to cater for that.’

TURNING THE TIDE

This is arguably the decade of diversity initiatives, and when environmental, social, and governance (ESG) really took hold. ‘In the last ten years law firms have got the memo that they can no longer be a closed shop and pay lip service to those things that matter to so many people, and it’s no longer acceptable to not have a really strong ESG and EDI agenda,’ notes Sarah Walker-Smith, chief executive of Shakespeare Martineau.

Regulatory pressure demanding mandatory gender pay gap reporting and the explosion of the #MeToo movement – which saw a crackdown by the Solicitors Regulation Authority (SRA) – contributed to this, but internal pressure from lawyers and client scrutiny also galvanised this.

Freshfields’ Georgia Dawson, who in 2020 became the first woman senior partner at a Magic Circle firm, recalls: ‘When I was first a partner, diversity considerations would come up maybe in an annual review discussion with a couple of the banks. Now it is across sectors, across geographies. It’s not absolutely uniform all around the world – there’s a spectrum in terms of how people are dealing with it – but D&I is on everyone’s agenda.’

According to Paul Clements-Hunt, director at Mishcon advising on sustainability, climate and ESG strategy and former adviser to the UN on sustainable finance (and who is credited with coining the phrase ESG), it was around 2016/17 when firms ‘woke up’. ‘You had the principles for responsible investment in 2006, but then you had the global financial crash, when a lot of trust went out of the system. Then you add into that people starting to understand, not just climate change but also the impact on the ocean. Whether it was from David Attenborough films or elsewhere, all that common perception saw the zeitgeist shifting. Then we saw the focus in and around climate in 2015 with the Paris Agreement. Then you can add to that the pandemic and then a war.

‘ESG concerns are now intrinsically linked with the competition for attracting and retaining top talent. And it’s no surprise that the next generation is demanding change in law firms. If you were born in 2000, you’ve had a hell of a ride. You’ve already seen four or five major systemic risks.’

BACK TO THE FUTURE

‘If you took a lawyer from 1996 and dropped them into a law firm now, they would think they were in *Star Trek*,’ jokes John Wood, managing partner of TLT.

Undoubtedly, tech has transformed how lawyers work in the last ten years, whether it is the use of AI in mass claims, virtual trials in disputes or smart contracts and remote negotiations in deals.

John Cleland, managing partner of Pinsent Masons, recalls: ‘My old practice was transactional and banking. Deals would be thrashed out in meeting rooms over a huge number of hours. In the last five years, and particularly since the pandemic, some of the biggest deals in the world aren’t done face to face. Rather, we use technology to conduct the meetings. This was science fiction 30 years ago.’

This development has arguably been a double-edged sword. Notes Shooter: ‘Everything has to be done yesterday. When I started out, the small firm that I was a trainee at had one computer and if you wanted to send an email, you’d have to somehow get it to this computer and at the end of each day the emails were sent. Often, you would put something in the DX for next day delivery and it didn’t matter what it was or how urgent it was, nothing was going to get turned around for about four days. Now, you cough and the stuff that you just sent off comes shooting back to you.’

While technology offers plenty of opportunities, particularly after a pandemic-induced expediting of tech into daily life, it will be up to firms to manage the associated risks.

Notes Slaughters’ Smith: ‘More pay for much more work seriously risks burnout and job dissatisfaction which may well mean that the profession loses lawyers over the longer term. This is an issue for law firms and it’s also an issue for clients, because those lawyers will not be going from private practice to be the top in-house lawyers and the GCs of the future. They will either monetise their careers early or burn out or both, and leave to go and do something totally different, creating a real talent gap.’

In the short team, firms have got their work cut out in traversing the world post-Covid, post-Brexit and amid a likely recession. But if there is one thing the *LB100* group has proved over the last 30 years, it is its resilience. LB

megan.mayers@legalease.co.uk
@meganmayersLB

Methodology and notes

LB100 LAW FIRMS

The firms that appear in the *Legal Business 100* (*LB100*) are the top 100 law firms in the UK (usually LLP partnerships but also some alternative business structures), ranked by gross fee income generated over the financial year 2021/22 – usually 1 May 2021 to 30 April 2022. We call these the 2022 results. Where firms have identical fee incomes, the firms are ranked according to highest profit per equity partner (PEP).

SOURCES

An overwhelming majority of firms that appear in the *LB100* co-operate fully with its compilation (see 'Transparency', opposite) by providing our reporters with the required information. A limited number of firms choose not to co-operate officially with our data collection process and in these circumstances, we rely on figures given to us by trusted but anonymous sources and estimates taken from previous years' LLP accounts.

LAW FIRM STRUCTURES

We recognise that, as firms have expanded globally, they have developed several ways of structuring their businesses, for instance using Swiss Vereins, European Economic Interest Groupings, and partial and full profit-sharing models. For consistency's sake, we now publish the global, firm-wide financials for all the firms in the *LB100*, regardless of how they internally structure themselves or share profits. So, the turnover, profitability, PEP and headcount figures published are all global, firm-wide figures, except where noted.

Several firms (see footnotes) do not operate LLP partnerships and do not have equity partners. For the purposes of the main table, no profit figures are provided for these firms and readers should refer to stock exchange reports for a clearer picture of profitability and dividend payments. Therefore, the profits and partner numbers of these firms are excluded when calculating *LB100* or peer group averages for PEP and profit per lawyer.

DEFINITIONS

Turnover/revenue/gross fees
Revenue figures do not include VAT, disbursements, interest or anything other than the worldwide fees generated by firms for their work during the last financial year.

Net income
We define net income as the total profits that are available to be shared among full equity partners. We treat profit sharing with non-equity partners or fixed-share equity partners as an expense and it is therefore not included in the net income figure.

Total lawyers
Total lawyer numbers include partners, trainees, assistants, associates, of counsel and all other fully qualified lawyers but do not include legal executives, paralegals or other support staff. We ask firms for their actual full-time equivalent headcount at the end of the last financial year. Lawyer and partner numbers are rounded up to the nearest whole number.

Equity partners
We define full-equity partners as partners that are full participants in the firm's profits. Fixed-share equity partners are considered non-equity partners for the purposes of this survey.

Non-equity partners
Non-equity partners, be they fixed-share, salaried, or laterals on probationary periods, are those that are not full participants in the firm's profits, though they may have voting rights.

HOW WE CRUNCH THE NUMBERS

Profit per equity partner
We calculate PEP by dividing net income by the whole number of full-equity partners (where applicable) at the end of the last financial year. PEP is an average figure used to benchmark the profitability of firms, which is not necessarily the same as saying that any partners take home this amount of money.

Revenue per lawyer (RPL)/profit per lawyer (PPL)
RPL is calculated by dividing turnover by the total number of lawyers at the end of the last financial year. PPL is calculated by dividing net income by the total number of lawyers.

Profit margin
Profit margin is net income as a percentage of turnover.

Change 2017-22
This figure is the simple percentage change in revenue between the 2016/17 financial year (as reported in the 2017 *LB100*) and the 2021/22 financial year.

FOOTNOTES

1 DLA Piper and Sacker & Partners operate a year-end to 31 December 2021.
2 Eversheds Sutherland – while turnover figures are global, PEP calculations are based on Eversheds Sutherland International LLP only.
3 Clyde & Co – in July 2022, the agreed merger between Clyde & Co and BLM went live. The numbers in this report are for Clyde & Co pre-merger only and 2021/22 data for BLM was unavailable at press time.
4 DWF is admitted to the main board of the London Stock Exchange and no longer operates as a conventional partnership. As such, profit is not distributed among equity partners and profit figures are not published in the main table.
5 Osborne Clarke – as the firm operates separate profit pools, headcount and revenue figures are global, while PPL, profit margin and PEP are calculated according to UK net income and fee-earner numbers only.
6 Irwin Mitchell does not operate a traditional law firm partnership, and partners are remunerated according to salaries and bonuses, not profit shares. The PEP figure is illustrative for the purposes of the *LB100* and is not supplied by the firm.
7 Gateley became the UK's first listed law firm in 2015. Gateley does not operate a traditional law firm partnership and profit is not distributed among equity partners. As such, profit figures are not published in the main table.
8 Knights is listed on the London Stock Exchange. The firm does not operate a traditional law firm partnership and profit is not distributed among equity partners. As such, profit figures are not published in the main table.
9 Keoghs does not operate a traditional law firm partnership and profit is not distributed among equity partners. As such, profit figures are not published in the main table.
10 Slater and Gordon became the world's first listed law firm in 2007. It does not operate a traditional law firm partnership and profit is not distributed among equity partners. As such, profit figures are not published in the main table. Turnover relates to the UK business only.
11 Ampa – In June 2021 the Ampa legal and professional services group was launched, which includes law firms Shakespeare Martineau, Lime Solicitors, Mayo Wynne Baxter and GL Law, as well as planning consultancy Marrons Planning, loss recovery experts Corclaim and cyber security consultancy CSS Assure. Figures are for the group as a whole, and as such year-on-year comparisons with Shakespeare Martineau are not applicable.
12 Keystone Law is listed on the London Stock Exchange. The firm does not operate a traditional law firm partnership and profit is not distributed among equity partners. As such, profit figures are not published in the main table.
13 gunnercooke – does not operate a traditional law firm partnership and profit is not distributed among equity partners. As such, PEP figures are not published in the main table.
14 RBG - RBG Legal Services Ltd is the legal services division of AIM-listed professional services group RBG Holdings plc. It trades as two brands: 1) transactional, advisory, and regulatory firm Memery Crystal and 2) disputes specialist Rosenblatt. Its most recent financial year is 1 January-31 December 2021.
15 RWK Goodman – the merger of Bath-based Royds Withy King and London firm Goodman Derrick, now known as RWK Goodman, took effect on 1 May 2022. Figures in the table are for legacy Royds Withy King only.
16 Fletchers does not operate a traditional law firm partnership and profit is not distributed among equity partners. As such, profit figures are not published in the main table.

TRANSPARENCY

We take the compilation of the *LB100* very seriously. The overwhelming majority of firms featured co-operate fully with us to provide the relevant information on headcount, revenue and profit to ensure the figures we publish are accurate. Among the 100 firms featured in the survey, four declined to provide any financial information formally. These were: Slaughter and May, Slater and Gordon, Harrison Clark Rickerbys and Thompsons.

A further five firms, in addition to those in the footnotes above, did not disclose details of profit. These were: Norton Rose Fulbright, Gowling WLG, Ince, Browne Jacobson and Devonshires.

The thunder rolls

Legal Business**'s first trip to Dublin since the pandemic finds managing partners in fine fettle. With the full impact of the energy crisis and the war in Ukraine yet to be felt across Europe, can Ireland's legal community keep up the momentum?**

NATHALIE TIDMAN

To a London hack hitting the streets and the meeting rooms of Dublin for the first time since coronavirus struck, Ireland's capital is abuzz, perhaps more so than usual. Somewhat inexplicably, there are excited hordes of Americans wherever you turn, many of whom look as if they've just stepped off the set of a spaghetti western.

All becomes clear in the first coffee meeting of the day. 'Garth Brooks is playing five shows at Croke Park,' laments one managing partner, with an eye-roll. 'It's bloody desperate.' Clearly not a fan.

Notwithstanding divisive views on Stetson-donning country music singers (some of the people *LB* spoke with had actually been to a concert, one super fan more than once, naming no names), the mood in the city is firmly festive. Indeed, among the legal community there is a palpable sense of enthusiasm for in-person meetings again after some of Europe's most protracted – and strict – coronavirus rules ended as recently as January.

However, fresh challenges threaten to usurp this air of optimism. Ireland has not been insulated from the overheated recruitment market and is as alive as global peers to reversals wrought by the cost of living crisis, the war in Ukraine and a slowing of deals as concerns over interest rates and inflation continue to gather pace. *LB* decided to get the view from the ground and asked Ireland's law firm leaders how their businesses are likely to fare over the next few months. Can Dublin's regained mojo endure?

VIEW ON THE GROUND

Declan Black, Mason Hayes & Curran's managing partner, is in buoyant mood, predicting high single-digit revenue growth for the 2022 calendar year, even as it comes on the back of a 2021 banner year for much of the market at large. '2021 was an extraordinary year for me as managing partner – every practice went up. I should have quit while I was ahead!' Black may have his tongue planted in his cheek, but the sentiment of last year being a tough act to follow rings true around the market. 'Corporate transactions are down from the 2021 peak and that has spread through the western world,' he adds. 'Valuations have tumbled amid concerns over interest rates and inflation. Deals have slowed down.'

That said, he points to real estate, financial services, contentious, regulatory and data regulatory as areas of sustained growth.

Peter Stapleton succeeded Nicholas Butcher in December as Maples Group managing ▶

'2021 was an extraordinary year for me as managing partner – every practice went up. I should have quit while I was ahead!'
Declan Black, Mason Hayes & Curran

'ESG has been a key area for us this year. We are working with our clients to help them identify and integrate ESG priorities at all levels of their businesses.'
Geoff Moore, Arthur Cox

partner in Dublin. 'May you live in interesting times!' he quips, of the anything-but-dull set of circumstances that have defined his time at the helm so far, pointing to a list of corporate mandates that includes acting for UK wealth management group Fairstone on its inaugural deal in the Irish market – its acquisition of financial planning firm Pax Financial. The firm also advised the first Irish-regulated funds to be granted permission by the Central Bank of Ireland to take exposure to crypto assets, among many other mandates.

Meanwhile, Walkers Ireland managing partner Jonathan Sheehan takes a balanced view: 'Given current market volatility arising out of the current geopolitical and economic headwinds, inevitably the secondary market continues to be quite dislocated as evidenced by a recent spike in sell-offs towards the end of September.' Conversely, there have been upsides. 'We have seen a significant increase in volume and complexity of low-risk fund finance products driven by the continued success of Ireland as a leading European fund formation jurisdiction. ESG and sustainable finance continues to be a dominant theme across the asset management, structured finance and commercial lending sectors.'

Sheehan also notes a trend for increased participation of private equity funds in the commercial aviation lending market post-pandemic. 'These funds have carved out a strong niche in the aviation lending market providing much needed liquidity for lessors and airlines. They can be nimble and often more flexible in terms of financing older aircraft as they are not subject to the same regulatory requirements as traditional aviation banks,' he explains.

Standout matters for Walkers include the Norwegian Air Irish Examinership, Orange Capital Re DAC, a catastrophe bond programme structured through an Irish Solvency II MA SPV, and advising CK Asset Holdings on the $4bn sale of AMCK Aviation to Carlyle Aviation Partners.

James Duggan, managing partner of Flynn O'Driscoll, observes: 'Aviation and asset finance has been really strong, notwithstanding fleets being grounded for the best part of two years. The employment group has been busy with queries around redundancies.'

Geoff Moore, managing partner of Arthur Cox, is sanguine. He flags good levels of activity in corporate, with the finance group being kept busy with new mandates in real estate finance, private equity, corporate banking and infrastructure finance. The litigation group also had a good run, with regulatory investigations and dispute resolution work being a large driver of activity.

Moore insists there is no shortage of opportunity. 'ESG has been a key area for us

‘The energy sector is particularly vibrant in light of the emerging issues around energy consumption and an energy crisis.’
Alan Connell, Eversheds Sutherland

this year, as businesses, particularly listed companies, continue to focus on this. We are working with our clients to help them identify and integrate ESG priorities at all levels of their businesses and our cross-disciplinary team has been busy with increased client demand in the areas of green financings, bonds, fund disclosures as well as energy conscious M&A and financial regulation.’

He reels off a list of substantive mandates for Arthur Cox that includes advising Greenlink on its 500MW, 190km interconnector project and acting for ESB and Bord na Móna on the development and financing of the 83MW second phase of the Oweninny windfarm, Ireland’s largest wind development project. Other standout matters include advising Brookfield Asset Management on its acquisition of the entire issued share capital of Hibernia REIT for €1.089bn and Starwood Capital Group on its debt finance provision for Echelon Data Centres, an Irish-owned company.

Alan Connell, managing partner of Eversheds Sutherland Ireland, also points to opportunities around energy and ESG. ‘The energy sector is particularly vibrant in light of the emerging issues around energy consumption and an energy crisis. We are seeing an increase in demand for alternative and renewable energy sources and we have worked with several providers on energy financing projects, particularly renewables. This has also led to increased levels of work for our clients across ESG.’

Connell also notes an increase in activity across TMT, including data centres projects, and across the financial services, life sciences, and real estate sectors.

Stephen Keogh, William Fry’s head of corporate, points to advising Echelon on the €950m Starwood Capital financing; online food ordering service and Irish unicorn Flipdish on its series B and series C fundraising rounds; as well as deals for Melior, the spin-off private equity fund managed by the former Carlyle team in Ireland. Keogh says the first half of this year has tracked that of 2021’s stellar run but he has noticed a slowdown. ‘We would like to see more term sheets,’ he admits. ‘We are not yet seeing the same volume of new instructions to see us through to next year, but we can’t expect to be flat out forever.’

Owen O’Sullivan, William Fry’s managing partner, is similarly philosophical. ‘We can’t ignore the headwinds but we’re not panicking. The firm works to the calendar year and we have built in provisions around things slowing down and factored in inflation pressures.’

For his part, Matheson managing partner Michael Jackson’s highlights include advising Generation Investment Management (the investment management firm of Al Gore) on establishing the fourth vintage of its flagship private equity fund range; advising Bank of Ireland on its acquisition of the Irish assets of the Belgian bank, KBC, which is leaving the Irish market; and advising Octopus Renewables on the acquisition, development and project financing of a 250MW solar plant, which will be the largest in Ireland.

THE TUSSLE FOR HUSTLE

Although it’s a close-run thing, there is one conversation piece overshadowing the Garth Brooks invasion – the question of talent retention in the wake of lockdown.

High on that agenda is how to strike the balance between nurturing young lawyers while giving them the flexibility they have come to expect from working remotely for so long. Black explains the conundrum: ‘What’s missing are the intangibles – the esprit de corps you get from coming into the office. There is

‘Retention is our biggest challenge. There is definitely a Covid-generation lawyer, working deal after deal, after deal. The effect of being so busy has been no work/life balance.’
Stephen Keogh, William Fry

absolutely no craic working from home! But we don’t have any rules. We are highly-flexible on the basis of high productivity. We are dealing with fully formed adults. We don’t have a dress code either because fully formed adults know how to dress.’

Nevertheless, there are only a certain number of experienced Irish practitioners and the new entrants into the Irish market are competing for the same talent. That has inevitably driven wage inflation.

Keogh expounds: ‘Retention is our biggest challenge. There is definitely a Covid-generation lawyer, working deal after deal, after deal. After 12 months one of our lawyers said he wanted to leave as it was far too relentless. We told him to take a long break but not to walk away. He came back. That has been the effect of being so busy – no work/life balance.’

O’Sullivan adds: ‘We are losing people to London. They tend not to lose their connection with the firm and often come back, and with skills and networks they otherwise wouldn’t have had. We lose people to tech in-house roles too but very few to local competitors,’ he says, adding that the firm has bolstered headcount through recruiting from South Africa and Australia.

Duggan has also gone down the South Africa hiring route for corporate talent, and says the problem is existential. ‘It’s expensive to live in Dublin and there is a big housing issue. We have someone from France that is having to live in an Airbnb. Families are living out of hotels. Dublin has taken in 70,000 Ukrainian refugees, many of whom are staying in hotels and army barracks.’

That clearly ties in with the ever-pressing question of remuneration. ‘If the only reason people are leaving is money, that’s fixable, but there is a perception that we don’t make counter-offers. Three years ago, NQs were getting €55k and now they’re on €72k. We never used to use recruitment consultants but in the last year we’ve spent a fortune,’ says Duggan.

Notes Connell: ‘We have invested in several senior hires across our business –ranging across our corporate, commercial, IP, technology and DP, employment, real estate, tax, litigation, banking and financial services and our projects and energy departments. We have also remained focused on our own talent retention. Ensuring our talented people have the platform to achieve their own goals and aspirations has been a key component of our ongoing success. In April we appointed five senior associates and four associates to our lawyer group across our Dublin and Belfast offices. They will be able to grow their expertise and utilise our global network as we continue to provide excellent service to all our clients.

‘Diversity is also an important cornerstone for our firm and this work is continuously ongoing in response to the changes happening in our society. Before Covid, we were the only Irish business to be recognised for our commitment to diversity and inclusion in the workplace and business, and D&I will continue to be a priority focus for us.’

For its part, Addleshaw Goddard entered the Ireland market in March 2022 through its combination with Eugene F Collins. Mark Walsh, now head of AG Ireland (formerly Eugene F Collins managing partner), notes: ‘Salary is obviously a factor, and we pay a competitive salary, but it’s one of several factors that are now key to retaining talent. AG has a strong and supportive workplace culture that offers our people the opportunities and supports to pursue ongoing professional development, and ensure they feel valued as they do so. Alongside an inclusive, and diverse work environment, which we continue to strengthen through the recent rollout of our reverse mentoring programme.’

For Moore too, investment is critical. ‘In January we promoted six new partners in the key areas of finance, tax, technology and innovation and corporate and M&A, strengthening the firm’s expertise in these areas, and demonstrating the firm’s commitment to the highest level of client service.’

The challenges and opportunities facing the aviation sector

The commercial aviation sector has proved to be remarkably resilient, having weathered monumental periods of disruption in close succession with the grounding of the Max, and then the worldwide fleet as a result of the pandemic as well as the ongoing Ukrainian conflict. The effects of these crises are still with us, but air traffic numbers have been recovering quicker than many predicted, with airlines struggling to cope with passenger demand over the summer (something readers in Dublin will be all too familiar with).

However, there are undoubtedly additional headwinds facing the industry with rising interest rates, increasing fuel prices, the impact of inflation and recessionary fears likely to erode demand for travel this winter. These were some of the themes discussed at the Airline Economics Growth Frontiers London conference this September where I chaired the Banking Panel to discuss challenges, opportunities and risks for aviation banks in the current market.

There is still significant capital available and competing for assets, keeping lease rate factors low. With the costs of funding rising though as a result of inflation and rising interest rates, it looks like current loan margins and lease rate factors are mispriced. There will be a correction to align lease rate factors with rising funding costs, putting additional pressure on airlines facing a period of downward pressure on demand, impacting cash flows needed to meet debt service costs.

Lessors, particularly those large lessors that have achieved investment grade ratings over the past decade, have been able to rely on low cost, unsecured capital markets funding to finance their portfolios. However with reduced capital markets activity due to interest rate and macro-economic uncertainties, a shift toward increased secured bank funding is creating opportunities for aviation banks to come back into the market in a stronger way. While European aviation banks are certainly re-engaging with customers and pursuing new mandates, the market remains deeply segmented between the haves and the have-nots, with banks having a continued focus on lending to the best quality credits and collateral, leaving mid-tier lessors and airlines struggling to access such funding.

Banks still have concerns about the risk profile of the aviation sector given the significant recent challenges faced by the industry and the additional macro-economic pressures now affecting airlines. While there will inevitably be further bankruptcies, there remains confidence that airlines and lessors that have made it through the last few years have streamlined their operations and will be able to capitalise on increasing passenger numbers in the medium to long term. The reports of the death of business travel have been greatly exaggerated in my view! I think this has been borne out over the last year where we have all seen people chomping at the bit to get back into the skies to meet colleagues and clients. Anyone in business who sees their competitors meeting their clients in person, knows that Zoom calls are not going to cut the mustard.

With many of the mid-tier lessors and airlines unable to access bank funding to modernise their fleets and finance order books, aviation-focused alternative lenders and credit funds have become increasingly big players in the commercial aviation lending market. Lenders like Ashland Place, Muzinich, Castlelake and Volofin have been carving out a strong niche in the non-recourse lending market. These funds can be nimble and often more flexible in terms of financing older assets as they are not subject to the same regulatory requirements as traditional banks. While banks may be able to offer lower margins given their lower funding costs, this is not the whole picture. Looking at the overall structure of a deal, alternative lenders can often offer more compelling terms with more flexibility to offer larger balloon repayments than banks, thereby giving borrowers more cash flow during the term of the financing.

The alternative lenders are currently providing fast and flexible capital solutions and much needed liquidity to the market. These funds have large amounts of institutional capital they are keen to deploy on sizeable transactions often competing directly with traditional aviation banks. This is to be welcomed and clearly demonstrates the confidence that investors have with respect to opportunities for real long-term value in the commercial aviation sector.

In terms of bank lending, Walkers’ Irish Asset Finance team recently advised Citigroup Global Markets Asia Limited and New Zealand Banking Group Limited as Joint Global Coordinators to a syndicate of Asia-Pacific, European and North American lenders in a US$1.7bn facility to Irish headquartered SMBC Aviation Capital. The financing generated strong interest across the global banking market. The quantum of the facility and level of interest again demonstrates, not only the strength of SMBC’s business but also the long-term confidence in the strong fundamentals of the sector.

We have been fortunate through the global reach of our asset finance practice, and our ability to offer a combined package of legal and corporate administration services, to advise on these and similar important mandates. While challenges remain, the industry has come a very long way in the last 12 months. The optimistic industry outlook is that demand for aircraft, particularly with the gradual re-opening of the Chinese market, will to a certain extent, offset challenges presented by increased interest rates and the inflationary environment.

‘The reports of the death of business travel have been greatly exaggerated in my view!’
Matt Hedigan, Walkers

For more information, please contact:

Matt Hedigan, partner, asset and aviation finance group

Walkers Ireland LLP
The Exchange
George’s Dock
IFSC
Dublin 1

T: +353 1 470 6688
E: matt.hedigan@walkersglobal.com

www.walkersglobal.com

Sponsored briefing

'Our priorities are culture, people and technology, in that order. We want to create a rewarding environment with flexibility around time spent in the office.'
Peter Stapleton,
Maples Group

While alive to the challenges, Matheson's Jackson cites the recent hires of Niall Collins from Mason Hayes & Curran to its EU and regulatory practice, Maireadh Dale in the banking group from Dentons and Karen Sheil from William Fry into the commercial real estate group as evidence that the firm continues to be attractive to lateral hires.

He adds: 'Our hybrid model has worked well for us and it is a great way to help our people achieve the greater work/life balance we all crave. While we continue to offer highly competitive benefits packages and opportunities for personal and professional development, as well as remaining committed to promotions and to hiring throughout the pandemic, the key strategy to help mitigate attrition remains communicating with staff, listening to their concerns and issues and empowering them to help us make sure that they are fully engaged and invested in improving the work experience.'

Moore echoes this view: 'I would say hiring senior lawyers is a challenge for everyone, but we are able to offer a really attractive proposition to new hires, including a hybrid working policy which has an emphasis on trust and flexibility. Our overall purpose is to offer the best law firm experience, both for our people and our clients and this has resonated well with our staff and new recruits.'

And the hiring market has been on Flynn O'Driscoll's side of late, with the firm in September hiring Michael Hanley and Danny Heffernan from Hayes Solicitors, who were head of banking and finance and an associate respectively.

Stapleton is confident. 'Our priorities are culture, people and technology, in that order. We want to create a rewarding environment with flexibility around time spent in the office. We have over 2,500 people globally and Ireland is a very important part of our global network. Our retention rates have been consistently high and that is due to us differentiating ourselves on a number of unique grounds. With 16 offices globally, we have opportunities to bring our Irish expertise to clients whether as part of a wider international project, or as the centrepiece of a deal, for example, acquiring an Irish company. That allows our people to have a wider perspective on what's happening globally on the client side and also gives them the opportunity to work, move and transact globally within our network. The legal market is shifting and what we've seen is that there is a greater demand for career diversity and progression. The Maples Group offers a lawyer starting their career in Ireland the chance to travel to our offices in North America, the Caribbean, Europe or Asia, while remaining and progressing within the same organisation.'

On his firm's organic growth, Sheehan notes: 'As a firm, Walkers had its largest ever round of global promotions this year, and we were delighted to recognise the contributions of Damien Barnaville in asset management and investment funds and Shane Martin in regulatory as they became the newest members of the Irish partnership earlier this year.'

However, one managing partner highlights the clear tensions between attracting talent against the backdrop of a likely downturn, echoing a common refrain among law firm leaders, not just in Ireland. 'People want remote working, car parking and 30 days' holiday a year. This is a corporate law firm and the work is deadline driven. They want the right to switch off, but no-one has told the clients that. In theory, everyone is supportive of that flexibility but the truth is that the right to switch off is not compatible with a career in corporate law. If there is a recession we're faced with a whole group of people who haven't experienced that before. People will have to be out there hunting for work again. That will become normalised again, instead of having to turn away work.'

HEALTHY COMPETITION

Needless to say, the fallout of Brexit has created a changed dynamic for the Ireland market, paving the way for non-domestic pretenders to the throne.

Observes one managing partner: 'There has been a vote of faith in the Irish legal system, with international firms opening up in Ireland. It has become a very competitive environment for new entrants coming in. Clients demand a level of service that some of the new entrants might struggle to provide.'

Connell believes Eversheds Sutherland has the competitive advantage. 'After many decades without change, the legal sector in Ireland is changing, and changing significantly. The attraction of Ireland as a hub for investment, particularly post-Brexit, has seen an increased number of internationally-focused organisations looking to establish operations in and from Ireland. This globalisation has meant that the number of global decision-makers based in Ireland, whether that is in Irish or multinational organisations, with significant budgets, has increased rapidly in recent times. Such global decision-makers need to be advised by global advisers. They require multi-jurisdictional services and solutions as their businesses are global. The indigenous law firms in Ireland are focused solely on Irish legal matters and as such, do not offer this.'

And with competition being so fierce, it doesn't do for firms to hide their light under a bushel.

To that end Duggan is working on a formalised strategy and a rebrand for Flynn O'Driscoll. He is candid about the challenges. 'Strategically, we have never talked about the deals we do on the assumption that what our competition doesn't know, can't hurt us. We lived by that for 15 years. It has led to a lack of understanding from clients about what we are doing and we realised that a lack of formal strategy will hurt us now. We are stronger for coming out of Covid and we want people to know that we are a business firm for big and small businesses.'

And there is a consensus that the market is feeling a lot bigger these days. As Black says: 'Economic headwinds are obviously horrible but the business of law is very resilient. Brexit has been the gift that keeps on giving. There is an extraordinary centre of gravity in the Irish market which means that, because of its smaller size, it doesn't take all that much to create a positive impact.

'We now have 2.5 million people in employment, many in high-value jobs in tech, financial services and pharma, and that is driving a lot of activity. There are many problems in Ireland but they are problems of growth rather than problems of contraction. There is a good set of indigenous companies. From a legal services point of view, that means just a lot of activity.'

Remarks Walsh: 'Certainly, in the current economic environment there is an element of wait and see. Cost of living is at record highs and the energy situation remains precarious. The recent budget support packages show just how challenging a time it is for individuals and businesses alike. Like all businesses, AG is being impacted by these market pressures, as are all of our clients, and we are working to support clients managing these challenges. In terms of activity, the outlook remains positive across our core practice areas, and we continue to focus on growth in real estate, dispute resolution, corporate and finance.'

BOOM TO BUST?

Irish law firm leaders are notoriously reticent about hazarding guesses as to what the

'It certainly looks like we are going to be very busy right through to the end of the year and so any downturn is not likely to be felt until 2023 at the earliest.' Michael Jackson, Matheson

‘In Covid we forecast 75% down on people paying bills but in reality it was only down 25% in the first month and 20% the next month. We are expecting problems with clients paying bills in the event of a downturn.’
James Duggan,
Flynn O’Driscoll

▶ coming months will bring. That reluctance for once seems justified, given endemic volatility.

Stapleton takes a stab: ‘Our global teams have deep experience in advising our clients through turbulent times. So there is an institutional memory bank we can draw on from challenges posed as far back as the dotcom crash in the 1990s, through the global financial crisis just after we opened up in Ireland and up to the Covid-19 pandemic. That Europe is going through a major conflict as we cautiously exit the current phase of the pandemic, means there is a very high risk of contagion in key markets and unfortunately a very real potential for further military escalation. We hope to see a near-term resolution to the conflict, but as long as it continues we expect further impacts on the markets and potentially a mix of economic shocks reminiscent of the severity of the GFC.

‘However, we have had some of our most rewarding years and forged strong ties with our clients. So, while my glass remains half full in terms of our ability to act for our clients in that capacity, the question appears to be not “if” there will be an economic slow-down or even a recession, but rather how long it might last.’

Jackson believes the full effects are still to play out. ‘Earlier this year when things looked like being a little less busy than in 2021, I wondered whether we were just seeing a return to the pre-Covid “normal” where some practice areas were a little seasonal. It certainly looks like we are going to be very busy right through to the end of the year and so any downturn is not likely to be felt until 2023 at the earliest.’

Nevertheless, he notes that Matheson is prepared. ‘Should a downturn happen, we benefit from the fact that we are well spread as a firm with no over-reliance on any one sector or practice area. We also have shown an ability during Covid to redeploy talent from areas which were quieter (the property sector was shut down in Ireland for long periods of time), to areas which had high demand, and that experience will stand to benefit us. We have many senior lawyers who have experience of the financial crisis and of the issues that it threw up, and our restructuring team is the largest of any in the market. Our balance sheet is healthy, and as a firm we believe that we are well prepared both for further growth and for a downturn.’

Duggan also sees the danger. ‘Working capital and cash flow are a big concern. In Covid we forecast 75% down on people paying bills but in reality it was only down 25% in the first month and 20% the next month. We are expecting problems with clients paying bills in the event of a downturn.’

Conversely, firms could see opportunities if the glut of insolvencies expected in the pandemic but which never happened is finally triggered by the energy crisis, especially affecting low margin businesses.

As Sheehan observes: ‘While we cannot ignore the concerning global economic outlook, particularly as the true effect of Brexit and the economic fallout from the pandemic continue to emerge, we have historically performed strongly in downturns with an increase in counter-cyclical mandates in terms of restructuring work, corporate consolidation, the provision of alternative finance and disputes.

‘Competitiveness and fee sensitivity will continue to increase. As with any business we will have to manage our cost base and price work appropriately. However, none of this is new and we take confidence from the fact that we have weathered storms in the past. As the Irish office of an international law firm, we also look with confidence to the strength of our European offering which represents not only a differentiator to our domestic competitors, but also an opportunity to continue to broaden and deepen relationships with our existing clients.’

‘The sharp and welcome bounce-back in travel post-Covid has had a positive impact on activity generally.’
Jonathan Sheehan, Walkers

For Sheehan and his peers there is also a lot to be said for the generative impact of in-person networking: ‘The sharp and welcome bounce-back in travel post-Covid has had a positive impact on activity generally – with in-person board meetings, business travel and conferences all happening with renewed frequency and vigour which inevitably leads to increased mandates and deal flow.’

The message from Dublin’s law firm leaders is for the most part ‘prepare for the worst and hope for the best’. Black concludes: I’m not expecting anything radical or a step change over the next few months but the macroeconomic environment makes me nervous. An energy shock and the cost of living crisis will feed into harder times for business. Ireland is resilient and performing very well. It will be squeezed but hopefully it will fit through the gap without too much damage. Ireland will suffer in a global downturn but it will bounce back quickly. That is a factor of our size.’ LB

nathalie.tidman@legalease.co.uk
@LegalBusinessUK

Sally Anne Sherry, Bartra Group

Top GCs gather in Dublin to thrash out the strategic role of in-house counsel

Legal Business's inaugural Ireland Forum with Addleshaw Goddard in Dublin staged a lively debate with high-profile panellists on the strategic role of in-house counsel

NATHALIE TIDMAN

Nathalie Tidman, Legal Business: What sector-specific challenges are you facing when it comes to strategic decision-making in-house?

Sally Anne Sherry, Bartra Group: There are a couple of challenges that are specific to real estate, and those are often related to legislative changes that happen quite quickly. For example, when co-living was introduced in Ireland and then effectively banned again with little warning. In the last few years, we have also been dealing with difficulties with the planning system and judicial reviews. A lot of the press coverage of it has gone quiet, but we are still stuck in judicial review cases where we are trying to deliver units and we cannot get out of the court system.

Alex Potlog, AbbVie: It is an easy question for pharmaceuticals, especially pharmaceuticals in Ireland because, we have as an industry managed to articulate that challenge in a clear way. We call it the innovation paradox.

What it is meant to convey is that Ireland is a country in which AbbVie, like many other pharmaceutical companies, has a really strong manufacturing footprint. However, Irish patients often have access to the innovative therapies manufactured in Ireland only after patients in other EU member states. It is paradoxical that this community that contributes so much to the advancement of manufacturing, R&D and science in general sees the product of that contribution used in other countries' health systems before it's used in Ireland.

Maura Connolly, Addleshaw Goddard: From a legal counsel point of view, many of our clients are trying to get on top of the incredible amount of new legislation that the government is introducing, particularly in the area of employment law, much of which is moving towards allowing people to request flexible working arrangements. There are changes with people essentially being able to work anywhere in the world, and that is a very welcome

Photographer BRYAN BROPHY

‘Legal as a function is more valuable when it thinks about things also from a compliance and an ethical point of view, and not just from a legal point of view.’
Alex Potlog, AbbVie

‘I can give my clients a much better service if I understand the perspective of what the client is trying to achieve and the internal dynamics.’
Maura Connolly, Addleshaw Goddard

development, both from a legal perspective and from our clients’ point of view.

There is a new dynamic. Clients are working with employees who want to work in a different way. I can only imagine the challenge that presents for in-house counsel, because you are trying to not only do your own specialty subject but you are also expected to advise the HR function on all of this that is coming down the track.

Nathalie Tidman: What does value add mean to you? How does it link to your role as strategic adviser and how do you make that work in practice?

Alex Potlog: One of the things that I like the most about this job is that there are many different ways in which you can do it. There is definitely a way to do this job by focusing on the technical, legal stuff, but the environment that we are in lends itself to a more business-orientated approach. If you are going to read people the black letter law, that is going to be helpful in some contexts, but it does not add as much value as taking an enterprise perspective. Legal as a function, especially in pharmaceuticals, is more valuable when it thinks about things also from a compliance and an ethical point of view, and not just from a legal point of view.

Sally Anne Sherry: We will always have a couple of favourite legal firms in the City and they are the people we go to for our most important transactions. But my advice would be to spread out your work across the City, keep trying new firms and new partners and creating contacts in the field.

Relationships are key. Wherever you trained, the people you trained with go up through the ranks with you. I keep in touch with people I trained with at Matheson and people I have worked with over the years, because they are key to getting transactions done and learning information about something that is coming. I aim to stay away from court unless absolutely necessary. I much prefer to head off litigation if I can, and that is much easier when you are closer to the network and to people who will pick up the phone and say: ‘There is a problem coming here.’

One of the last pieces of advice that I have is in relation to spreading out payment of legal fees for ongoing work. Don’t let it build up into one large fee at the end of the year. We would always try to pay as we go along on a monthly basis rather than letting it build up into one large fee at the end of the year and then the business is querying what the lawyers were doing all year for that amount!

Maura Connolly: Most of the time I am on the other side of the table, but relationships are critical to us as well. I can give my clients a much better service if I understand, not only the business, but also the perspective of what the client is trying to achieve and the internal dynamics. I will understand that much more if I am close to my colleague who is the internal counsel or the HR manager. I am not sitting at the boardroom table so I do not know what is really worrying them, but if I have someone who can help me understand what the real worry is here, then I can tailor my advice.

Nathalie Tidman: A common thread going through all your experiences is the ability to be agile and nimble in everything you do. What are your experiences of having to put that into practice and real-life examples of having to make a decision really quickly?

Maura Connolly: We had a highly pressurised situation where a retail client was implementing what looked on paper to be a neutral change in contractual terms. They were legally entitled to do what they wanted to do, and the advice from all was: ‘Absolutely, you have the right to do it. You do not need to consult the employees.’

That was mistake number one, because it turned out to be a highly sensitive issue. The employees got agitated about it two weeks before Christmas and that was the busiest time for the business. The pressure of there being industrial action and the impact on the company was an absolute crisis for the business, and the advice that was needed was not just legal advice. The legal advice was: ‘Of course, you can legally do it,’ but that is not the start and the end of it. You have to think about ethics. You have to think about PR. You have to think about crisis management and the what-ifs.

Sally Anne Sherry: Very recently we had a large transaction and the funds had to move by 12 o’clock to meet the cut-offs. A last-minute query arose on the searches, just minutes before the deadline. We were able to reach agreement with the other side very quickly and the funds moved in time. Everything turned out fine but we would not have been able to react so quickly if we did not have such mutual respect and trust between the counterparties, which was built up over time. Your word is your currency, and in the legal world and in business, it is really important.

Alex Potlog: I know everybody talks about agility these days to the point where its meaning has been significantly diluted. At AbbVie we are a small team supporting a growing business across five markets. We have to be agile by default, if we’re not, then we’re not meeting expectations.

I believe in the notion of a minimum viable product. There is work that is highly consequential for the business that we will focus on and spend time on and give all the attention to, and that is never going to be ‘agile’, just because of the implications or the impact or the consequences. Then there is a host of other things that are low value and low risk, where we aim to deliver the minimum viable product in terms of legal support, and that is arguably the agility.

We operate in local markets, but under the umbrella of a global company. There is a lot of process and policy that comes from global stakeholders. Some of that is not going to be 100% functional or viable for the local business. We have to figure out ways in which we can observe internal policy while landing on the right side of the external regulation, compliance, ethics considerations and so on. It is a challenge, but if you look at the legal function as a facilitator rather than an ultimate decision-maker, it gets a lot easier, because it forces you to think in a more pragmatic way.

Nathalie Tidman: There is no escaping the question of talent and talent retention. A lot of teams have been put under enormous pressure with Covid. What challenges have you faced and how have you adapted your strategies to deal with those issues?

Sally Anne Sherry: It is really important for me to encourage my team to look outside of the pure legal skills. Look at leadership, executive functions and finance. We lawyers are often allergic to finance, me included. But we cannot be part of the fabric of a business if we do not understand what makes money and what does not make money, so we have to get into the finance, whether that is doing courses like ‘finance for dummies’ or whatever you need.

Corporate governance is another thing that is hugely important, and I encourage my

Nathalie Tidman, Legal Business and IHL, discussion chair

▶ team, as I do myself: 'Volunteer for charity boards. Volunteer for non-profits. Volunteer for the things that will give you an outside perspective. You will also get experience, and the company will encourage you to do something that is good for you and good for the company.'

Maura Connolly: We all know that there is an incredible competition for talent, and retaining talent is equally a big issue for law firms and also for in-house. In Addleshaw Goddard, we have a consulting wing that offers support to counsel to help them with organisational change, performance management and also focusing on the leaders that are within their team. Offering this service in addition to law has actually been something that is very attractive to our clients and also to people coming up within the firm.

We have a lot of focus on the development of our people, and it is critical that we do that, because that is what sets us aside from our competitors. It is a very competitive market, but it is about what the path is for any of our colleagues. How do they know that they can develop their skills? What supports are in place to help them become that person?

Alex Potlog: It is about keeping people engaged and giving them a perspective on their own career progression and development, and we really spend a lot of time thinking about that and working on that within our team and within AbbVie in general.

In terms of soft skills, leading and managing hybrid meetings is a genuine skill these days, and it is something that we should all try to get better at, because that is what pulls people into the discussion when they are not physically present in the same room, giving them an opportunity to contribute. At the same time, I have seen a lot of people in different teams and different functions doing a little bit too much with all this hybrid and remote stuff, putting too much pressure on either having people back in the office to spend time face-to-face, or texting people every other hour.

There is no one-size-fits-all solution. It depends a lot on the other person and how they respond to that. There are colleagues, for example, who really appreciate regular touchpoints. If we do not connect for two or three days, they start getting a little bit anxious. There are also people who are really sensitive to this overbearing engagement, and if I start texting them twice a week, they are going to say: 'Leave me alone.'

Nathalie Tidman: I am interested to hear your take on how present innovation is and how much that involves actual tech. Are there different ways of innovating that are more important than tech in your various worlds and roles?

Maura Connolly: There are some aspects of everybody's roles that are more commoditised, and there are some things you should just do in the most efficient possible way. Technology allows us to have certain documentation and other things done effectively, such as by use of templates. If you are trying to differentiate yourself and say: 'We are adding value. We are helping our in-house counsel give a good service to their clients,' then technology is fundamental to that, but it is not technology for technology's sake. It has to be delivering something.

Alex Potlog: Tech is not something that we use a lot. We use Teams and SharePoint, but the main reason why we do not see a lot of value for tech in what we do is because we try to do things that are not capable of being automated. It is our choice as a team to focus on stuff where we have to think outside the box and look at one-off, unique situations and scenarios that we can contribute to, instead of doing things that come back to us over and over again.

The other thing is rethinking the role of the legal team and the legal function as a whole. One of the things that we have done at AbbVie has been to remove legal from the day-to-day vendor contracting process. When you think about contracts and legal, everyone marries that up, but for us vendor contracting is a low-risk activity most of the time. There is really no need for legal to be in the driving seat, so we streamlined that whole process and created a host of templates, guidance, computer-based training and playbooks for business owners involved in negotiating those contracts with those vendors.

Sally Anne Sherry: One thing that has made a big difference to my life is using DocuSign

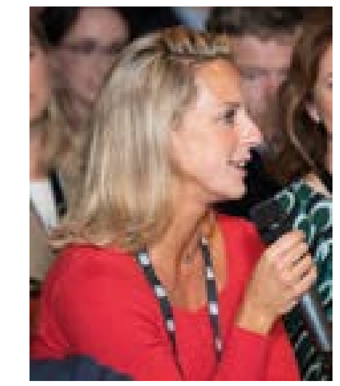
THE PANELLISTS

■ **Nathalie Tidman,** Editor, *Legal Business and The In-House Lawyer (chair)*

■ **Alex Potlog,** Legal director, UK & Ireland, *AbbVie Ltd*

■ **Sally Anne Sherry,** Director and GC, *Bartra Group*

■ **Maura Connolly,** Partner and head of dispute resolution and employment, *Addleshaw Goddard, Ireland*



'Look outside of the pure legal skills. Look at leadership, executive functions and finance.'

Sally Anne Sherry, Bartra Group

for our contracts and other agreement. There was a fear that, if we use DocuSign, somebody will question its validity. But it is perfectly valid and we have been using it for a few months now. It is very efficient compared to all of the printing and scanning that we were doing beforehand. We will still always have to use it for property documents, conveyances, transfers and those kinds of things, but there are so many documents now that you can use DocuSign for. For me, it has been hugely beneficial.

Nathalie Tidman: How do you educate the business on the importance of the legal function?

Alex Potlog: We should accept the premise that there will always be a situation every once in a while where legal should be involved in something right from the beginning and it's not. I try to make comparisons wherever possible between outcomes where legal is involved early and outcomes where legal is involved late or not at all. Most of the time the comparison speaks for itself.

Nathalie Tidman: Thank you all for coming. It's great to see everybody enjoying in-person events again. Please show your appreciation for the excellent panellists. LB.

nathalie.tidman@legalease.co.uk
@LegalBusinessUK

MARKET COMMENT

From innovation to economic headwinds to premature reports of the demise of the Magic Circle, leaders at *Legal Business 100* firms give us their views on the past financial year and look ahead to the next

‘A client said to me during the first Covid wave: “I stand in awe of the superior business model of law firms — because you will normally need a lawyer, whether you want one or not”.’
Penny Angell, Hogan Lovells

NEVER WASTE A GOOD CRISIS

‘There’s a flipside to most crises for lawyers — in fact, a client said to me during the first Covid wave: “Yet again I stand in awe of the superior business model of law firms — because you will normally need a lawyer, whether you want one or not”.’

Penny Angell, UK managing partner, Hogan Lovells

FULL CIRCLE

‘The death of the Magic Circle has been called incorrectly. There are areas of the market where the US firms have taken work away from the Magic Circle, but in a year’s time, the Magic Circle could be flying high and all those firms with a very strong emphasis on alternatives could be looking less strong. It is just a timing issue. They’ve had a strong year and I wouldn’t read too much into the fact that they’ve been outshone by the US firms in recent years – that could all reverse.’

Sebastian Prichard Jones, senior partner, Macfarlanes

BRANDING MATTERS

‘We don’t want to be jack of all trades, master of none. Of course, we provide services across all sector groups and across the full corporate piece, but it’s our specific sector focuses that have created more brand awareness in the market, which is a strong reason for our success.’

Rob Shooter, managing partner, Fieldfisher

TIPPING POINT

‘It feels like there has been a tipping point in the last 12 to 18 months in terms of the level of focus and commitment that D&I issues are getting from management and senior executive teams across law firms. You can see that in the appointments and promotions that are being made and the commitments that organisations are making within the community. They are no longer just talking about it, but really delivering on the change as well.’

Georgia Dawson, senior partner, Freshfields

GONE FISHING

‘I don’t want to talk about fish or ponds, or any of the usual *LB100* clichés. I could spend a lot of time with you talking about the mid-tier label – I would urge you to spend time thinking about it. Each firm runs its business on its own strategic priority, so I wouldn’t draw any particular comparisons.’

John Cleland, managing partner, Pinsent Masons

MONEY FOR NOTHING

‘If I were a GC, I would be thinking really hard about what I was paying for – I am not going to fund inefficiency. For some, raising the NQ rates is a way of dealing with poor culture. We have got to offer more than just huge pay packets; you need opportunities to grow and a good culture. When I speak to our junior lawyers, they are really switched on with what they want from their career. Money is one part of it but if you asked them to rank the factors, I don’t think it would make the top five. More important to them will be “how quickly will I progress my career? How much exposure will I get to top clients?”’

John Wood, managing partner, TLT

STRONG PIPELINE

‘This year has seen deal activity at slightly lower levels, but our pipeline looks strong. We’re still working on a significant number of major M&A mandates and have a strong flow of energy and infrastructure and investment funds work, in addition to this we’re also seeing a growing volume of contentious work.’

Paul Lewis, managing partner, Linklaters

OPEN MIND

‘Clients are always growing, wanting more value and more innovation. They look for a comprehensive service, they want deep expertise not just for the biggest transactions but in ways that can support them at different stages of their growth. Clients need their law firms to innovate through better use of technology with an open mindset to innovation.’

Penelope Warne, senior partner, CMS

GOD KNOWS

‘Russia invading Ukraine, energy prices, talks of recession. That’s not something that we can really control. We are definitely anticipating some headwinds, but sitting here today, which is two or three weeks short of our half year we’re on track for our targets. What is the second half going to look like? God only knows, but we’re confident. We know our clients and our clients are entrepreneurial. They’re seeing this as an opportunity.’

Grant Gordon, managing partner, Fladgate

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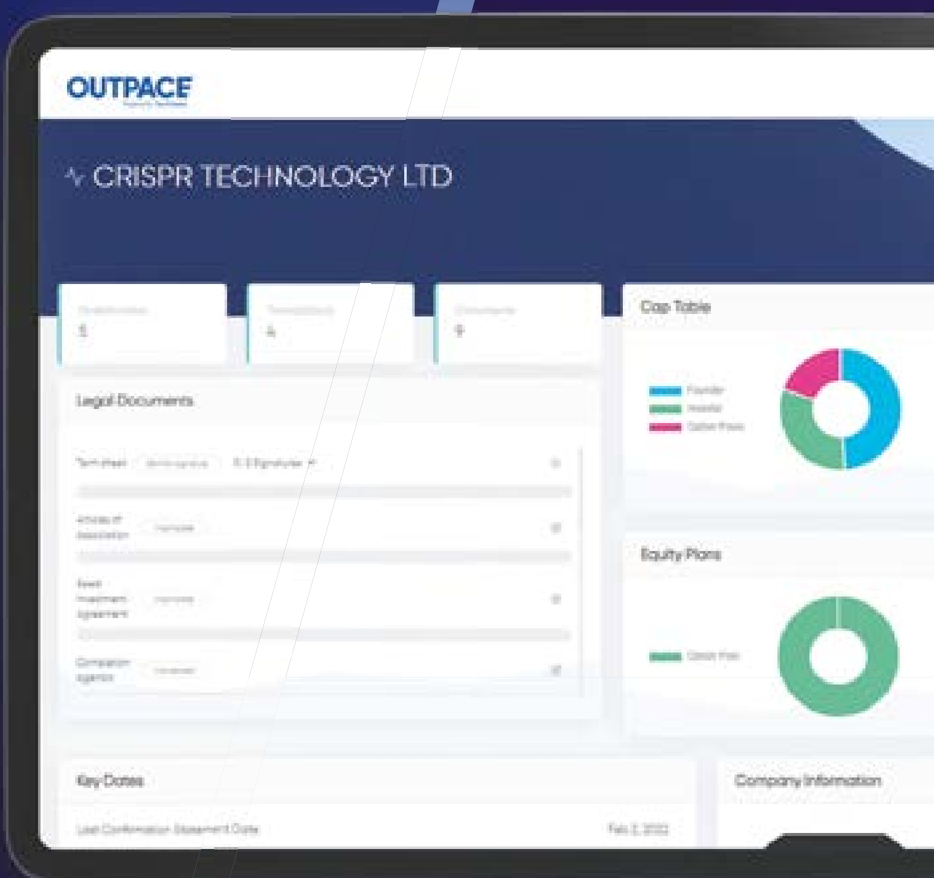

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