Going global

How do law firms – especially those that don't have international offices – handle cross-border work, and what networks are available to them? Diana Bentley investigates

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Legal practice has changed immeasurably over recent decades. The globalisation of business and increased mobility of people are just two developments law firms have had to confront. Large firms have responded by establishing networks of international offices. Small and medium-sized firms, which lack the volume of work or resources to have overseas offices, have also had to find ways to service clients who increasingly need support in foreign jurisdictions.

To address this, international networks of independent firms have emerged, enabling members to connect and refer work to one another. While such groups used to be quite informal, most now have limits on the number of members they can admit in certain territories. This has led to more being formed, all with differing structures, joining requirements, costs and benefits.

Firms wanting to join a network must carefully consider what type of group would suit them best.

Network structures

While there are plenty of networks to choose from, structures vary. Interlaw, the International Practice Group (IPG), Alliott Global Alliance (AGA) and Eurojuris International (EJI) are just four available that operate in slightly different ways.

Interlaw

Established over 40 years ago, this London-based network has retained its law-firm-only membership model. Its 94 partner law firms, based in 150 cities worldwide, include 8,500 lawyers across Africa, Europe, the Middle East, North America, the Asia-Pacific / Australasia and Latin America / Caribbean regions.

IPG

Headquartered in Switzerland, IPG is a network of diverse professional service firms that employ lawyers, accountants, tax experts, trust advisers and mergers and acquisitions (M&A) advisers. The group originated in Europe, and while many of its members are based there, it now has 110 members in 40 countries, with 2,500 professionals.

It collaborates with LEX Africa – a network of lawyers in Africa – and is looking to work with a group of accountants in the Asia-Pacific. "We're gradually expanding our global coverage without aiming to become a massive organisation," says IPG chair Nicholas Lakeland, who works as a partner at London-based law firm Laytons.

AGA

Paul Marmor, a partner of Sherrards Solicitors, which has offices in London and St Albans, helped forge the current structure of AGA when his law firm became the first to join what was then an accounting network. He was appointed as the group's head of legal, a post he held for about a decade. "Now we have around 100 law firm members, and more firms in places like emerging markets want to join," he notes.

The network is multidisciplinary, with members in a range of specialities including M&A, trade law and immigration. Based in London, it has over 250 members in 105 countries and includes over 8,000 professionals.

EJI / LawNet

Formed in 1989, the Brussels-based EJI is a network of 600 law firms across 50 countries. It has a somewhat different profile, with national 'chapter' members in 11 European countries and individual representatives elsewhere, including the US, Brazil, Egypt and India.

LawNet is the national chapter member for the UK and has 70 small and medium-sized firms, with a combined turnover of roughly £500m (around 2,000 lawyers). "Our goal is to support business improvements among our members," says chief executive Helen Hamilton-Shaw, pointing to the significant support it offers members, such as an extensive learning and networking programme, its own quality standard to aid law firm management, group purchasing and marketing resources. Importantly, members of LawNet also gain membership of EJI, which has around 5,500 legal professionals worldwide.

Joining requirements

Joining the network of your choice may not be an easy matter. First, there's the question of whether it will allow new members in your territory. Then there's a screening process, as network members must be confident when referring their clients to other firms.

IPG's process starts with a visit from a member of the selection committee. Candidates are then invited to attend a conference, which allows them (and the network) to assess a potential fit. If both parties agree, the firm becomes a member.

Quality is always the key consideration in membership, Lakeland explains, but there's also the question of potential competition and territorial limits. "If an application is received from a firm in a place where there are existing members, those members would be asked if they approve of the application. However, a firm might have a speciality that existing members don't have, which could be advantageous."

Those wanting to join AGA are vetted in person and have references from other members. Matters such as their insurance are checked, as not every jurisdiction requires it. The group knows what it's looking for, states chief executive Giles Brake. "Members need to be as full-service as possible, with strong expertise in corporate and commercial, tax, real estate, private wealth and litigation, and some other practice areas. They need to be focused largely on one jurisdiction and be English-speaking. They also need to be looking to grow their international practice."

EJI membership is usually achieved through a national chapter, such as LawNet in the UK, which has set criteria. The minimum turnover for a firm member in LawNet is about £2m. "Firms must

have sound finances, a good claims history and a progressive mindset, which are investigated through our discussions with the firm's leadership," Hamilton-Shaw explains. Firms must also achieve and maintain LawNet's own ISO 9001 quality standard and associated Mark of Excellence in client service, which new members must commit to and achieve within two years.

As for Interlaw, it gathers information about a firm from several rounds of interviews. "We also speak to the firm's clients and any members in the region, and often, Interlaw representatives visit the firm," adds Interlaw chair Michael Pattinson, a partner at UK-based Trowers & Hamlins. "We then produce a due diligence report for the board. If it's satisfied, candidates are invited to a regional or global meeting as observers and to present themselves to the network."

This process can take several months (or longer), and if both parties agree, an invitation to join is made. If members have offices in multiple locations, these may – depending on the quality of their offering – become part of the Interlaw network too if there is no existing member in the relevant territory.

Fees and referrals

A variety of costs are involved in network membership, and there are protocols for working between partners.

IPG has a joining fee, which is the same as the annual membership fee, set at €3,000 per year for firms with more than 10 employees and €2,500 for those with fewer than that. The real cost is attending the conferences, which are crucial for getting work, Lakeland stresses. His firm primarily receives referrals from other law firm members, but also often collaborates with a UK accounting firm member. As with other groups, there is no obligation in IPG to refer clients to other network members, and members are free to negotiate the rates they charge. Referral fees appear not to be typical.

AGA's membership fee is tied to the firm's turnover. The highest charge would be around $17,500 a year. "Some networks may be run by law firms, but it's better to have an independent structure like ours. Our fees cover the costs of staff and other overheads," says Marmor.

Brake's team in London includes a full-time conference and events manager, managers for each world group and a business development manager. Members must sign a service-level agreement, which binds them to standards on matters such as response times and conflict resolution.

Like AGA, LawNet's costs are based on a firm's turnover. Its members have no additional fees for belonging to EJI other than the costs of attending practice days and the annual congress. Typically, for referrals, members can search the EJI directory or use the LawNetConnect portal to ask other members for suggestions, and they can also get help from its secretariat. As with other groups, members often select partner firms based on relationships they've formed at events.

Fees for Interlaw membership are based on the number of lawyers employed by a firm, but reduced fees are offered for firms in Africa and emerging markets. "Our members can contact any fellow Interlaw firm to discuss a potential project, and all partner firms have access to our client management platform, which allows them to record and track referral activity," Pattinson adds.

When work is referred, the instructing member will often act as the client's point of contact, as well as managing the partner firms working on the matter. However, this can vary depending on the client, he says. "Sometimes, they may prefer one firm to act as the project manager across multiple jurisdictions, and sometimes they may wish to work directly with the firm dealing with the matter. Our firms adapt their approach accordingly."

All Interlaw members are regularly peer-reviewed and have routine audits as part of the network's ongoing quality assurance programme.

Key benefits

Client satisfaction

While firms join networks for many reasons, the ability to service clients remains a major driver. As Marmor puts it: "Clients take you more seriously if they know you can provide international support. It's good for your profile and shows a level of sophistication." A look at Sherrards' website illustrates just how well its AGA membership is used to showcase the firm's international services.

Referrals from fellow members can also lead to a stream of high-quality work. "In many instances, the member firm is your client. Later, you may start to act for their clients directly if they continue to work in your territory," he notes.

Similarly, LawNet member and director Claire Charman says being able to refer clients to EJI members has helped raise the profile of her firm, SJP Law. "We referred a business client buying property in France to our EJI contact there," she recalls. "The client was grateful for not having to find their own legal support, and we retained them."

Forging relationships with other members has been good for business in other ways too. "I've hosted visits for EJI lawyers – one from Ukraine, another from Belgium. They met our solicitors and operational staff, and visited local courts and business groups. The feedback from the visiting lawyers was great, and the news for clients that we have this contact network was very well received."

It's these opportunities that make network membership so rewarding, she believes. "There's no inter-office politics or competition for work; we work together to best serve our clients."

Recruitment and retention

Charman also reports that network membership helps impress potential recruits and is rewarding for existing staff. "For a small firm like SJP, being part of an international network means we can give our staff opportunities to develop without having international offices." This includes their younger lawyers, who can join EJI's Jurismus group for lawyers under 40.

Marmor also views network membership as an asset for staff management. Like EJI's, AGA's project to help young lawyers has been popular in his firm. "It rewards them and is an incentive," he says. "They have annual conferences, and we have internships with other members."

Regional expertise

Enhanced local knowledge and sector expertise is another benefit of membership, according to Pattinson. Members can pitch jointly to multinational clients who need coverage in multiple jurisdictions. "Our teams in Belgium and Texas have expertise in the energy sector, for instance, and our team in New York has an outstanding reputation in the digital asset and sports, media and entertainment sectors, so other members can leverage that."

Learning and development

One benefit these network members are keen to stress is the opportunities such groups provide for learning and development.

All of the networks have a range of specialist practice groups. EJI's, for example, include sections focused on employment and immigration, international trade, transport and insurance, intellectual property, international litigation, private wealth, real estate and others. Some, like AGA, have regional and other specialist groups, such as ones based on language. All four have groups for young employees working for members.

Annual conferences are a staple offering across each network too. The emphasis is on sharing: EJI members are invited to LawNet's annual conference, and members of AGA are invited to all of its regional conferences, no matter where they're based.

Network specialist groups also hold regular events, including webinars, to share knowledge and best practices. Then there are general, ongoing sessions for all members, like Interlaw's online sessions on strategy, marketing and client listening, which are available to all employees of member firms.

For partners, Interlaw runs an international development programme with Saïd Business School at the University of Oxford. It's currently trialling legal artificial intelligence technology, involving 370 lawyers across 43 firms and one technology company.

Opportunities for work

These events don't just aid development. IPG, like others, has regular online and multiple in-person meetings, which are essential for building a sense of community among its members. Lakeland believes participation is a must if firms want to get the most out of their membership. "If you don't attend events, you won't build relationships within the group and won't get work – you'll just be a name in the directory," he warns.

Personal connections are also important in referring work for clients. "It's all about getting to know and trust each other," he concludes.

Advice for prospective members

Pattinson urges firms that want to join a network to have clear goals. "We always ask: why do you want to join a network, and why now? Are you interested in inbound referrals, outbound client support, brand positioning or something else?"

Regardless of your reasons, he stresses the importance of being honest about your firm's capabilities and where you can provide the best service to other partner firms and clients. "Beyond its presence in its home jurisdiction, what can the firm bring to the network in expertise or jurisdictional advantage? A firm doesn't need to have overseas offices but should have a credible cross-border caseload or a clear plan to grow it, as well as partners who will invest in relationship-building."

Meanwhile, Marmor advises firms to see if the network has an independent, dedicated secretariat like AGA's to ensure it isn't controlled by one firm or member. "Get references from members. See if it's listed in any directory and if you can attend some conferences to see what it's like."

The one thing he and others insist on is that firms manage their expectations. "Don't go into a network expecting to get work and cover your costs from the beginning. You need to give it several years," he says.

Lakeland makes the same point: "There's a lot of time and hard work involved. Networks are best suited for firms seeking more than just a referral network and who really appreciate being part of a collaborative, professional community where relationships only develop through regular interaction."

In the future, more groups are likely to form, and existing groups may expand – so it's imperative to invest the proper time and resources into selecting the right group for your firm.