

# Legal Networks as Global Service Providers: Lessons Learned and a Look Ahead

The value of global legal networks was tested by the effects of the COVID-19 pandemic. Nearly a year later, lawyers say the network model for providing global legal services is stronger than ever.

By Björn Welinder

In the past 30 years, global legal networks have evolved to become a crucial component that fills a hole in the legal community, providing high quality and responsive services and building enduring relationships across national and jurisdictional borders. Like all elements of our global economy, the value of global legal networks was tested by the effects of the COVID-19 pandemic.

Despite the uncertainty, nearly a year later the network model for providing global legal services is stronger than ever.

Even major legal ratings agencies and global law firms, which used to prefer an integrated financial model, are getting into the act. Chambers and Partners, publishers of the highly regarded global, regional and country-specific legal guides, now offers rankings of law firm networks. Some of the world's largest law firms have established formal relationships with other providers rather than opening new offices.

The primary drivers behind this network evolution are client expectations. As technological improvements support the automation of high-volume,



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straightforward tasks and reduce prices, businesses and individuals are increasingly demanding that their law firms, regardless of size or location, help them gain access to reliable counsel wherever and whenever the need arises.

Although the network model is growing in strength and as a value proposition to clients, the lingering effects of the pandemic have sketched out a trajectory of networks' evolution, underlying emerging trends, and how firms will work together, along with their clients.

## The lessons of COVID-19 are here to stay

No review of the future of legal networks can fail to acknowledge the impact of the global COVID-19 pandemic on the economic fortunes of entire countries, the business practices of companies of all sizes, and the health and finances of billions of individuals around the world. SARS-CoV-2 has been an unwelcome teacher, but it has nonetheless offered businesses, law firms and networks a number of valuable lessons.

Paola Sangiovanni, of Italian firm Gitti and Partners, reports, "At the

network level, membership helped us feel less isolated. From the client perspective, we learned just how capable we are of supporting their international operations. At the firm level, we learned that flexibility and innovation are important values.”

Andrew Parlour, of Russell Kennedy Lawyers in Australia, emphasizes the importance of face-to-face meetings, but was enthusiastic about technology and other ways of collaborating. “Technology can assist and facilitate collaboration. For example, our webinars during the pandemic have been accessed by higher numbers of more engaged participants. Even after the pandemic ends, I suspect that Zoom and other forms of technology will continue to be utilized.”

Allan Bronstein, of Canadian firm *Torkin Manes*, adds this assessment: “Videoconferencing, while effective, has revealed just how much we need the personal touch. Even in an era of globalization, I expect that you will see real-time interactions bounce back as soon as health and public safety can be assured.”

Alamo Laiman, from *Legisperitus Lawyers* in Indonesia, also sounds a positive note about the post-pandemic future. “I believe that the pandemic has brought a much-needed, although unwanted, pause in every aspect of life. As things pick up, however, people will want to catch up with what they lost in 2020.”

### **Expanded access for client companies — and their law firms**

Among respondents, there was general consensus that legal networks are

increasingly important for businesses, investors and individuals that want to compete on the global and regional stages without sacrificing valued, established relationships with existing counsel.

These relationships go both ways. From Chicago-based firm *Much Shelist*, partner Marty O’Hara notes, “Without involvement in a legal network it is virtually impossible to be a true, trusted adviser to clients that are doing business throughout the world.” Michael Park, of South Korean firm *Hankyul Law Group*, says, “In the Korean legal market, [there] is an increasing bifurcation on the supply side, between the largest law firms and a number of boutique corporate firms. To thrive, mid-sized law firms must clearly define their target clients and narrate how their competencies and fee structure meet their needs.”

Argentine lawyer Juan Pablo Cardinal, of *Richards, Cardinal, Tützer, Zabala, Zaefferer*, emphasizes that “networks provide a happy medium for mid-sized law firms such as ours, allowing us to expand our regional presence, maintain our independence, and deliver on our commitment to quality.” Notes Christophe Gerschel, of Paris-based firm *Alerion*, “I don’t see a future for mid-sized, independent law firms without participation in a legal network. Network membership provides a bi-directional flow of referrals, internationalizes our teams, and supports positive growth in client work.”

Alon Pomeranc, of Israeli firm *Lipa Meir & Co.*, emphasizes the need for

fluid, effective service. “With established service standards, predetermined agreements, and effective use of technology across member firms, networks can provide the type of one-stop shop their clients seek,” Pomeranc says.

### **Technology will drive—and respond to—client needs**

From the invention of the personal computer to the rapid growth of artificial intelligence, technology has been and will continue to be a primary influence on the delivery of legal services, the types of services clients seek, the prices they are willing to pay for such services and the ways they wish to communicate with their legal advisers.

More than one respondent emphasized the importance of adapting to and taking full advantage of new technologies. Ansis Spridzāns, of Latvian firm *Spridzāns, Snipe & Hramcenko*, describes one of his firm’s initiatives: “We are developing our own legal-tech project designed to increase effectiveness (thus offsetting unit-price decreases), move some work online, and earn commission fees for providing matching services.” Caesar Loong, of *Raslan, Loong, Shen & Eow* in Malaysia, adds, “Winning firms will need to develop clients using new technology and communications platforms, which will require a significant investment and put pressure on cash flow.”

Colin Cohen, of Hong Kong firm *Boase Cohen & Collins*, summarizes with this point, “Embracing new technologies is vital. However, we must not

lose sight of the basics. The keys to every successful law firm or network are strong relationships with clients and outstanding personal service.”

### **Helping clients ride the waves of globalization**

Globalization—economic, cultural and political—has been a force for millennia, but history demonstrates that it does not move forward at a steady pace or along a straight line. Our respondents noted that networks can help law firms and clients alike navigate the ups and downs of this process.

Karel Mortier, of Belgian firm Lallemant Legros & Joyn, describes how network membership allows his team to support clients across jurisdictions: “Our network participation allows us to get on the radar of multinational/international clients and stay relevant with existing clients who are internationally expanding their business.”

Maarten Roos, of R&P China Lawyers, offers this example from the People’s Republic of China: “As the global environment changes, companies are not *turning away* from China, but rather finding new ways to interact *with* China. Our firm and our network can play an important role in this process.” According to David Gross, of Anchorage-based firm Birch Horton Bittner & Cherot, “If you want to be a full-service law firm, you need the help of an association to deal with issues that arise in jurisdictions you are not familiar with.”

### **Diversity and inclusion: Bringing clients and their law firms closer**

As businesses of all sizes and their leadership grow increasingly diverse and interact more directly with vendors, suppliers and customers around the world, law firms in every jurisdiction must reflect, and sometimes lead, this transition. Colin Cohen notes, “It is no good preaching about diversity and inclusivity if you don’t have your own house in order. Rather than talk about social justice, law firms and networks should actively seek to achieve it.”

As a representative for Swedish firm Lindmark Welinder, my experience is that younger lawyers want the work-life balance and other benefits that can be found in a smaller or midsized firm, but they don’t want to sacrifice opportunities to do global work. Membership in a legal network can offer firms a distinct hiring advantage with this group.

Paul Franke, of Colorado firm Moye White, sums it up: “Every part of the world is changing in its own way and everyone is dealing with a different set of social issues. The advantage of a legal network is that we can take those differences into account and use that knowledge to help our clients.”

### **Client service and relationships remain a top priority**

Regardless of jurisdiction or legal discipline, quality service and trusted relationships will remain a top priority for network firms. Carsten Lutz, of German firm MELCHERS, emphasizes the

need to streamline client interactions and service at the network level. “It is important that member firms work together to develop standardized proposals, invoices, contracts, etc., so that the experience is indistinguishable from that of a global firm,” he says.

Says Eric Krathwohl, of Massachusetts firm Rich May, “Businesses just want the job done. That puts the responsibility on us; we must be more proactive in how we communicate and collaborate, whether handling a single transaction, preparing a combined pitch, or presenting a subject-matter or industry-focused webinar.” Mathieu Shapiro, of Pennsylvania firm Obermayer, adds: “More than ever, this past year demonstrated the importance of building and maintaining long-lasting relationships, sharing market intelligence and breaking down roadblocks to create opportunities.”

Mike Saber, of North Carolina firm Smith Anderson, offers a list of attributes that describe an effective legal network: “Active management. Careful selection of new members. A continued commitment to quality. Clients don’t necessarily need to see all the ingredients in the sauce, but they need to know it’s there for them.”

*Björn Welinder is co-founder of Sweden-based law firm Lindmark Welinder and president of Ally Law, a network of more than 72 independent law firms that provide comprehensive legal services to corporations worldwide.*