

Business & Careers

The impact of a globalized legal market



Warren Smith
The Headhunter

As 2012 comes to a close, we may be witnessing the first real steps toward a truly globalized market for the provision of Canadian legal services. With the recent merger announcement of Fraser Milner Casgrain, SNR Denton, and Salans, not only will Canada enter 2013 with multiple, fully international law firms, it's the first merger of consequence that includes Canadian and American components. Indeed, as the globalization of legal services continues to expand the reach of international firms into Canada, it will serve as a reminder to local firms of their need to remain vigilant as to the impact these firms will have on the Canadian legal landscape.

So what lessons can Canadian firms take from the increased globalization of the Canadian legal services market? Here are a few key issues to consider.

Set a consistent vision

It is critical you make an honest assessment of your firm's position and objectives in the marketplace. There will be increased pressure in 2013 (and beyond) to consider merging and/or expanding to establish a global footprint in light of recent events, but recognize that such a move is not necessarily the right one for all firms in the market. There is likely a considerable benefit to a handful of firms who opt for a more regionalized/national focus to their market offering, owing to the conflicts that will arise with other firms as they go international. The key here is to make such a move a conscious one, as opposed to a default position due to inaction on this point. If your firm is going to take a localized approach to practice, it will be critical this be communicated to the market, and its credentials as the "go-to" firm be established.

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Resist temptation

For those firms that decide to expand their footprint, there undoubtedly will be a temptation to try adding practices that increase total revenue. While adding partners with significant practice should obviously be seriously considered, the key here is to understand that billings alone should not be determinative in pursuing a lateral hire. As firms seek to expand their footprints, it will be all the more critical that culture, team dynamic and overall growth strategy take precedence in assessing whether (and when) to add talent to the partner roster. Resisting the temptation to acquire partners solely for their size of practice is a critical first step in properly assessing lateral partners along these lines.

Understand equity partners' role

As the market continues to evolve in Canada, it will become important for partners to not only serve as leading billers within their respective firms, but to increasingly serve as team leaders. Equity partners must play a strategic role in building teams of lawyers to service clients, they must take an active role in developing business contacts beyond their immediate, personal practice, and they must actively contribute to cementing the firm's brand and reputation in the market. The temptation for many firms may remain to ensure partners are only responsible for their personal practice (and possibly an associate). But it's critical that Canadian lawyers understand the changes to the competitive landscape as larger, global firms enter the market, and how they must adapt their role within the firm to match their international counterparts.

Be strategic and purposeful

Tied to this evolving responsibility of partners, it becomes equally important to understand how lateral partners will fit into the changing dynamic of their firm. While there is a frequent temptation to recruit on a reactive basis (often because firms don't feel they have the proper resources to com-

mit to proactive recruitment), the challenge to build a firm that can be competitive in the local market as well as globally becomes all the more apparent. Understanding which practices are key to your market offering, combined with an appreciation of how your firm's profile fits not only within the Canadian landscape but the larger, global environment, must play a key role in assessing how (and when) to expand your the partnership by way of lateral recruitment.

The changing environment will represent an opportunity for all firms to position themselves in a manner that maximizes their market offerings. While some

firms will undoubtedly capitalize on this, leapfrogging over firms who were once peers (or perhaps superiors), there will be those who will rely solely on past achievement as evidence of future success, putting them at great risk in a changing market. This will create opportunities for those firms that can seize upon the resulting market disparities to further add to their stable of partner talent.

Warren Smith is managing partner of Counsel Network, and the only Canadian elected to the board of directors for the National Association of Legal Search Consultants. Twitter: @lawheadhunter.

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