

Winning more business from International Law Firms

Exploring the views of international law
firms on what they seek in local counsel
when referring work to that jurisdiction

2013 Research Study

Summary Report

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The increasing internationalisation of business combined with a focus on operational effectiveness during a turbulent economy has prompted many international law firms to draw on the skills, expertise and knowledge of local counsel. Formal and informal networks of partner or 'best friend' firms have evolved to enable law firms to call on the insight and local legal knowledge in a specific jurisdiction to better advise and respond to their clients' global needs.

Jurisdictions where the respondents to our survey instructed local counsel in the last 12 months

But what is the practical experience of those international law firms referring work to local counsel in a foreign jurisdiction? And how can local counsel attract instructions and a steady flow of work from their overseas 'friends'?

The Results Consultancy and PCA Law recently conducted a research study into the views of senior professionals at leading international law firms. The study explored through interviews with more than 30 partners and other senior professionals in these firms what they were looking for in a local counsel firm when referring or outsourcing work to that jurisdiction.

With a number of questions in the survey the senior professionals gave many examples and valuable suggestions. In the charts you'll find in this report, we have grouped them according to the key themes that emerged. We have also picked out specific comments and practical suggestions to help those local counsel looking to win more work from international law firms and become their natural choice.

The findings of the survey reveal:

1. What local counsel need to demonstrate in order to win more work from international firms
2. The challenges highlighted by international firms when referring work to local counsel
3. How local counsel receiving instructions need to deliver that work to meet the needs of the international firms and their clients, and to make a positive impression
4. What opportunities exist for local counsel to build a successful long-term relationship with their international referring firm





What local counsel need to demonstrate to win more work from international firms

We asked senior professionals in leading international firms what their priorities were in practice when instructing local counsel in a particular jurisdiction. Their responses reveal key **practical** motivations in the selection process of local counsel and what they need to demonstrate in order to convince and win work from international firms. The graph shows the frequency in which certain practices were nominated by the survey's respondents.



It is vital that international law firms identify the right local counsel for the right mandate. The survey reveals that international referring law firms are incredibly keen to enter into long-term collaborative 'partnering' relationships with local counsel, provided they can demonstrate from the outset that they are a 'safe pair of hands' for any work referred to them and are easy to work with.

A local counsel's reputation for technical excellence and deep local knowledge remains a powerful marketing tool. The survey results also highlight that international referring firms specifically investigate, and seek reassurances in relation to, the practicalities of the day-to-day working relationship offered by the local firm.

It is apparent that the selection process ultimately comes down to the chemistry of the personal relationships and the local counsel's commitment to take responsibility for providing a proactive and highly responsive level of service to the referring firm and its client.



I am looking for:

"The capability to perform the desired work to a high level, preferably consistent with our service (or that expected by the client)."

"Local counsel who won't let me down!"

"Obtaining accurate and practical advice from a local counsel who is robust, who understands the commercial realities of a transaction and who is able to respond within the tight timeframes imposed on us by our own clients."

"Prompt and efficient responses to both the initial request to act (including detailed fee estimates) and on transaction documentation."

"The quality and commerciality of the advice given and the promptness of acknowledgment and turn-around times."

What do international law firms want from their relationship with local counsel?

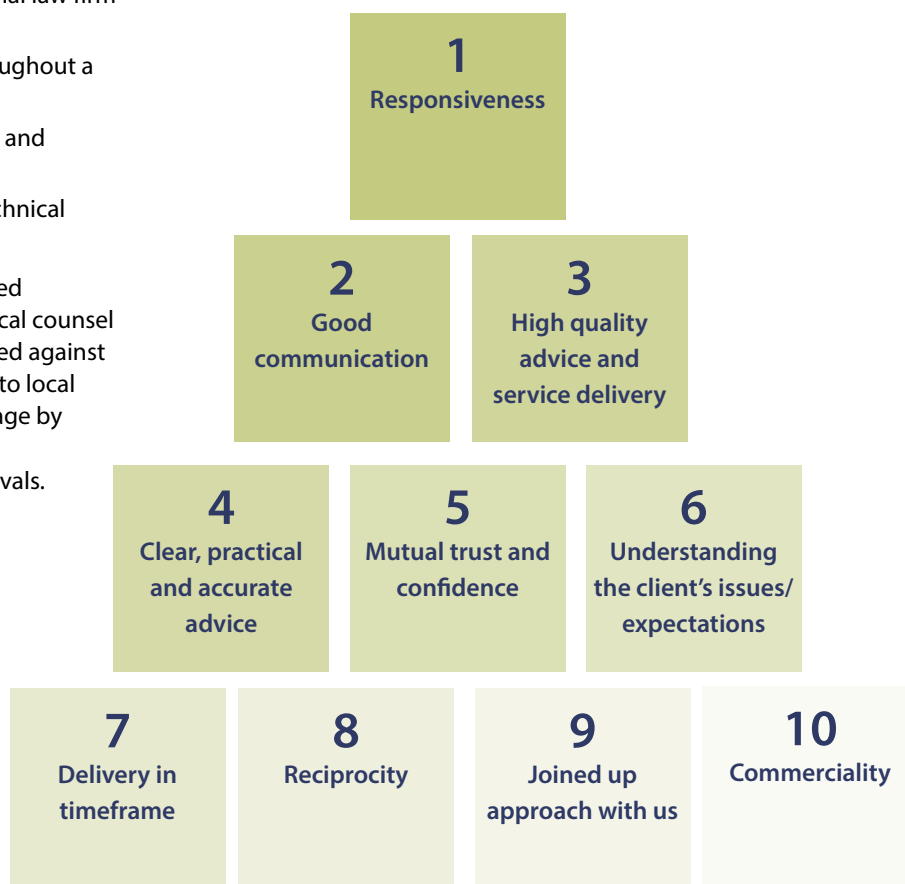
When asked to nominate what service standards they wanted in an on-going relationship with local counsel, these were the most frequent responses given by the senior professionals in our survey.



And when asked about their experience and how effective local counsel were at:

- communicating with the international law firm team
- demonstrating responsiveness throughout a matter
- understanding clients' needs, issues and approach to risk
- providing commercially-minded technical advice

The overall response was one that varied significantly from firm to firm. Some local counsel were good whilst many underperformed against these criteria. This gives opportunities to local counsel to build a competitive advantage by mastering these key relationship essentials more effectively than their rivals.



I want and am impressed by:

"Local counsel who deliver what they say they will, when they say they will and in a commercial and easily user friendly format."

"Local counsel who are able to pitch their advice at the right level."

"An on-going responsiveness to issues and advice that is proven to be of good quality over a long period."

"Regular communication regardless of whether they actually have a work related request - to build a sense of belonging."

"The ability to understand and deliver what is required (whether through background understanding of the client/issue, or through asking enough questions when receiving instructions)."

The challenges major international law firms encounter when referring work to local counsel

There were numerous challenges reported by the senior professionals in international law firms. Communication, understanding and responsiveness were more frequently mentioned as key needs that were not being met satisfactorily by local counsel. These highlight how local firms receiving instructions can improve how they deliver work to better meet the needs of the international firms and their clients.



The most frequently expressed challenges by our survey respondents

Working with international referring law firms, especially in the case of multi-jurisdiction projects, can be challenging. Whilst the service quality standards provided by some firms were good, the senior professionals were very quick to point out in the survey interviews that they commonly face specific “unhelpful” practices which make their lives significantly more difficult. Overall, they felt that “most problems arise out of a lack of ownership of the task.”

Often it is a case of advice being presented in a way that is unhelpful to the client, or is too academic and lacking in commerciality. Sometimes, it is simply a matter of being available.



Challenges commonly faced:

“A common challenge is unearthing the things they haven’t told you, because they haven’t understood why they are relevant or looked down the road.”

“It is a frustrating paradigm that you try to find your way through local legal schemes and then find out you didn’t ask the right questions. Some firms are just not proactive in anticipating your concerns or telling you the questions that you need to be asking them.”

“I find you receive uneven legal expertise. Smaller, emerging market, firms tend to be less sophisticated, communicative and responsive and less willing to push work forward rather than respond to work passed to them.”

“It can be very difficult to communicate a client’s objectives, needs and regulatory parameters where local counsel don’t understand the nuances and/or are not familiar with concepts. Similarly, difficulties arise when they are not used to the level of sophistication in enforcement and legislation present here.”

Opportunities for local counsel to build a successful long term relationship with their international referring firms

We asked senior professionals from international law firms what would make the most significant improvement to the quality of service provided to them by local counsel. Whilst responsiveness, understanding and communication continued to be mentioned most frequently, forging a closer relationship with the international referring firm was a factor also given by a number of our survey's respondents.



Service Quality improvements – A Wish List

✓	Improved responsiveness and speed of response	✓	Demonstrating commerciality
✓	Understanding the transaction and client preferences	✓	Better management of information flow
✓	Overcoming language barriers	✓	Greater openness about parameters, difficulties
✓	Better presentation of information/advice	✓	Sharing training
✓	Forging a closer relationship	✓	Improved accuracy and attention to detail
✓	Adapting to the client's preferences	✓	Closer and more constant supervision
✓	More practical/ pragmatic approach	✓	Greater proactivity

Many of the senior professionals surveyed were quick to recognise the role they have to play in addressing the challenges identified, however, they admitted that they are impressed when local counsel take this on themselves. So there are clearly opportunities for local counsel to differentiate themselves around the **practical** aspects of their service delivery. Unsurprisingly, the survey reveals that the key, and often basic, components for providing an improved level of service are effective cross-border communication and information management, recognition of and delivery against the commercial needs of the client and a desire to take a matter or deal on as your own.



Specific suggestions and wishes:

"It would be helpful if local counsel would ensure that they fully understand the request from the outset (eg, scope of work, time/cost pressures, understanding of the transaction), and ask for clarification if needed."

"They need to recognise that a document may have more than one purpose, or be intended for more than one audience. They should produce two versions, one for the client and one for the referring law firm. The theme here is that there are two clients and they need to serve them both."

"We as the deal firm want to create a genuine partnership with the local firm. To this end, we need proper partnership and true collaboration."

"They need to understand the pressures we are under from the client, notably the deadline."

"The most successful local firms are those that have made an effort to speak to, or meet with, local contacts of the business. They tend to be much more on top of things, particularly in the sharing of information."

"Local counsel need to make sure they understand the demanding requirements of our sort of clients with regard to quality of work and response times."

"I wish they'd identify the assumptions in their advice, which are often not stated but can be crucial to understanding."

The authors

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