

LAW FIRM MERGERS

# SELLING YOURSELF TO OTHER LAWYERS

In last month's CEE survey, almost two thirds of law firms said they would consider a merger. Jeffrey Forbes\* examines what merger candidates can do to prepare themselves when trying to attract potential suitors

According to *TopLegal International's* recent emerging markets survey of leaders from independent law firms in Central and Eastern Europe (CEE), 60% of respondents said they would consider a merger with a local or international player.

This is an intriguing statistic. It is likely that respondents probably had international players in mind, rather than local ones, when they answered 'yes' to this question. Experience and observation show that, as a general rule, there is still a lack of trust in most CEE markets to encourage local mergers. Moreover, when asked if they would consider a merger, many of those respondents probably thought of the question in the following terms: "If someone offered you a million dollars would you take it?" Naturally a greater proportion would say yes. The majority of CEE partners would also agree that it is important for their clients to be satisfied with their service. But if these same partners were asked what concrete actions they were taking to ensure that their clients were satisfied with their service, you would get a variety of responses, mostly vague and probably not aligned with client expectations.

The issue here, then, is intellectualizing versus action. But how many of the 60% that said

yes to considering a merger are actively taking steps to make their practice or firm a more viable candidate? Probably very few, and the reason for this is, that selling your legal *business* to other lawyers is not the same as selling your legal *services* to clients. In fact, it is more difficult. And the reason selling your business is more difficult is because it is essentially a management issue. But for many partners their first priority is to manage their clients' cases. If they have extra time, they will manage short-term priorities such as staffing, operations, and possibly marketing. This leaves very little time, if any, to think about and plan for long-term strategic issues such as a potential merger.

Another reason why mergers are difficult for most lawyers is that they are also a very sophisticated selling exercise. The recent global crisis has shown that partners at law firms in CEE, whether foreign or independent, have considerable room for improvement when it comes to selling skills. Independent firms looking to merge with other local players, or wanting to be viewed as a viable candidate by international players, need to look at their management and marketing systems first.

There are five main areas that they should be reviewing internally:



