



Three Times an International Strategy

International strategy is no longer the preserve of a small minority of firms: While only a handful of law firms operate globally, well over one hundred firms now have international offices. Whether Americans in Paris or Norwegians in Shanghai, firms have recognized that an international presence can be a powerful source of interesting and rewarding work and clients. Nevertheless, for other firms, the development of international offices is a costly distraction from building a powerful and successful practice at home. And for some, their international offices, which once represented the vibrant new shoots of the practice, now weigh like dead branches on an otherwise healthy tree.

Successful international strategies share in common a clear sense of purpose: The firm has defined its ambitions for each jurisdiction and developed a plan to achieve its aims. This strategy will identify, among other things:

- the clients, and their specific needs, the office is seeking to serve;
- the role of the office in supporting the whole firm's strategy;
- the balance of the office's priorities between selling, managing, and undertaking legal work;
- the size and mix of professional capabilities, both domestic and foreign, therefore required in the office;
- the structure and governance of the office and the approach to connecting its clients, practices and people to the wider firm; and,
- the financial performance of the office given the economics of the market in which it operates and the investment the firm intends to make in its establishment and operation.

In this form the strategy is a lengthy, detailed, and dry document more closely related to a business plan than an inspirational strategy. There is nothing wrong with this. Detailed thinking and planning are extremely important and management have a responsibility to go through the process. But work needs to be done in order to communicate the strategy effectively – the hard core of the strategy needs to have three facets polished into it, each facet reflects the interests and needs of three distinct audiences:

1. Clients and prospective clients

Clients should form the heart of any international strategy but their interest as an audience is distinct from their role in the strategy. Clients need to understand how the firm's international strategy will deliver a better service than they would have received otherwise. Clients with international legal needs will have typically met these needs in the past by using foreign firms or other international firms with foreign offices. To win them as clients of the new office they need to understand how the service and capability your firm provides will be significantly better than the service they have experienced to date.

The key point is that the communication of the strategy to clients must address the issue of relative competitiveness. 'We have an office in Brussels' is unlikely to be sufficiently compelling to persuade a client to use the firm – it may have been once, when no other firms had such a capability, but not today. What is required is a message that explains why the firm's new Brussels capability can offer the client identified benefits over and above their existing arrangements and the service on offer from others.

2. Partners and prospective partners and staff in the international office

The second major audience is made up of the partners and staff of the international office. Whether these people come through secondment, recruitment or merger it is important that there is a persuasive 'story to tell' about the office. Lawyers should understand why working in the office will provide them with the opportunity to build the practice to which they aspire and provide them with the financial rewards and career opportunities that will motivate them for the foreseeable future.

As with the client message, identified above, a key element of this story must be relative: how will the office provide better opportunities than the partners and staff would enjoy at domestic or international competitors? Money is important but relying on financial incentives alone tends to be an expensive way of building a transitory capability. To establish a lasting and successful office requires communicating a more involving and motivating rationale. The strategy can provide the foundations for the professional and personal, alongside the financial, requirements of the people the firm wishes to attract and retain in its international office.

3. Other partners across the firm

The partnership bears the cost of building the international capability and it deserves an explanation as to the benefits that will accrue as a result. Law firms are rarely places in which formulaic return on investment calculations are useful - the variation and unpredictability of outcomes combined with the significant value of intangible and tangential effects makes such assessments unreliable - however, partners should understand in broad brush terms the net benefit of the investment in building a capability or integrating a merged office.

The partnership audience is best considered in two parts. The first part is made up of those with a practice interest in the international office. These partners may expect to benefit through the winning or retaining of clients with which they themselves work or through the improved actual or perceived strength of the practice. These partners will take little persuading of the strategy's benefits.

The other part of the partnership is made up of those partners for whom international expansion is of little immediate importance. Their practice may be largely domestic, their clients largely local or their work is of a type that is often bought on a jurisdiction by jurisdiction basis. In many firms these partners represent a sizeable majority of the firm and they often wish to examine the benefit of investing abroad in financial terms. They will frequently ask the disarmingly straight question 'Why are we doing this if it does not benefit the majority of the partnership?' and management needs to have a coherent and credible response.

International Strategy & Communication

In our experience, the majority of law firms have an international strategy that supports their firm's overall strategy and is built upon a solid business case. Firms see the value in applying a robust process for assessing opportunity and developing the strategic rationale for expansion. Many also understand the value in revisiting the international strategy every 3-5 years in order to ensure that their approach remains sound.

The hard core strategic thinking and analysis is, in general, well done. Where firms are weaker is in communicating the strategy to the three audiences of their clients, their international partners and staff, and the partnership as a whole and iterating this process over time as the market, the firm and its strategy evolve. Each of these three is vital to the strategy and effective communication is a prerequisite to successful implementation. Furthermore, it is very useful to think about these three audiences during strategy development (rather than leaving it to the implementation stage): If the strategy does not inform a compelling message for each of these three groups there is potentially a significant flaw in the underlying thinking. Conversely, the ability to clearly and simply explain the advantages of the firm's intentions to each of these three groups is indicative of a sound and powerful international strategy.

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