

3rd Annual Law Firm Management Conference

19-20 November 2009

Ritz-Carlton Hotel Moscow, Russian Federation

The conference was organised jointly by the IBA and LegalStudies.RU.



This report first appeared in the May 2010 issue of the Law Firm Management Newsletter of the Public and Professional Interest Division of the International Bar Association (Vol 18, No 1), and is reproduced by kind permission of the International Bar Association, London, UK

This conference was a leading, notable professional event for the legal community bringing together more than 160 top lawyers from 22 countries to share their experience and shape their expertise. Among the participants were managing partners and forehand lawyers, strategic advisers on governance and development, private practitioners, heads of the functionary departments of the law firms – notably human resources, public relations and marketing.

Topics under discussion included economic integrity of law firms, legal profession regulation, problems of decrease in demand for legal services during the world economic crisis, motivational schemes for partners and associates, law firm professional managers and law firm business development.

The essentiality of lawyers' integration was the key issue of the discussion during the session *Economic integrity of law firms: a mission for national bars?* with participation from the IBA President Fernando Pelaez-Pier.

The problem of legal profession regulation was analysed in the session *Uniformed regulation and omission to regulate the legal profession in the post-Soviet countries: promises and*

risks for the market operators. Due to the lack of the clear state policy in the legal profession regulation, this challenge can be resolved by the market operators themselves through self-regulation and elaboration of the unified work standards, eg, standard requirements to individuals practicing law, requirements to confidentiality, responsibility, standards of client work etc. Contrary to the Western legal market where a 'trend to supranational standards is more common', as stated by Axel K Filges, President of the German Federal Bar (BRAK), this mechanism is not implemented either in the national or supranational level in the territory of the CIS. This is why for Russia and the CIS it was proposed to elaborate supranational standards based on the experience of Europe, for example.

During the session *Can law firms themselves increase a demand for their services in the global crisis?* such issues as corruption and consistence of Russian law were discussed.

To increase the demand of legal services offered by lawyers it is necessary to encourage the legal system to develop along with the efficient administrative and judicial systems. The majority of the transactions are accomplished under the English law. Therefore national

CONFERENCE REPORT

legal systems and national legal societies are behind in the competition for the potential clients. If lawyers would like to stimulate the demand for their services they 'have to make Russian law competitive', emphasised Hendrik Haag, IBA LPD Chair, Partner Hengeler Mueller (Germany).

Problems of the profit distribution and motivation of partners in law firms was discussed in the session *Motivation management for partners and associates in a law firm: what impacts an individual performance?* Managing partners of the leading law firms Olga Romanova, *RATUM* (Russia), Soren Johansen, *Kromann Reumert* (Denmark), Pierre Raoul-Duval, *Gide Loyrette Nouel A A R P I* (France), Michael Roch, *KermaPartners* (UK) and Oleksiy Didkovskiy, *Asters* (Ukraine) headed by the Session Chair Vassily Rudomino, *ALRUD Law Firm* (Russia) discussed the issues of partners' motivation, indicators and personal qualities to be considered and analysed. They also talked of developing a comprehensive partners/associates' motivation system, choice of profit distribution system and characteristics of the candidates for partnership. Today managing partners are in fact the first generation of the independent legal business managers and that's why these questions are topical for everyone and the experience they can share at the conference is of such importance.

The session *Law firm professional managers* was devoted to the role of the professional managers and in particular CEOs in a law firm. If several years ago employment of these specialists in a law firm was an exception and deemed as an invasion in partners' competence, today lots of law firms hire such professionals, releasing partners' time for client work. The border line between partners' and professional managers' areas of responsibility and expertise became one of the main topics for the discussion.

During the conference the exclusive research on how the economic crisis in Russia has forced clients to reduce their legal costs without sacrificing quality was presented by Jeffrey Forbes. This research, prepared by LexisNexis Martindale-Hubbell and conducted by the Forbes Institute, revealed the results of the survey which is the follow-up of the 2008 investigation entitled *How in-house counsel in Central and Eastern Europe select and retain their external counsel*.

The closing session was devoted to the strategies of business development. Opinions on business development were shared by



Tatyana Kamenskaya, *Kamenskaya & partners* (Russia). Dmitry Dyakin, *Magisters* (Russia), Alexander Sitnikov, *Vegas-Lex* (Russia), and the special guest Boris Firsov, *Roland Berger Strategy Consultants*, Partner. According to Mr Firsov, whatever business you are intending to develop, the first thing a firm should do is to answer the question 'Who are we?'. This statement turned out to be the final consensus of the event.

The IBA conference is an event on the international scale, standing out above other such events. For the specialists from Russia and the CIS where independent legal business has only existed for 20 years, the conference provided a unique chance to become acquainted with to learn from the experience of the leading lawyers from countries with centuries of professional legal practice history. This IBA conference helped Russian lawyers to share knowledge and experience, to gain a huge amount of new information, to ask relevant questions and to be active members of the international legal society.