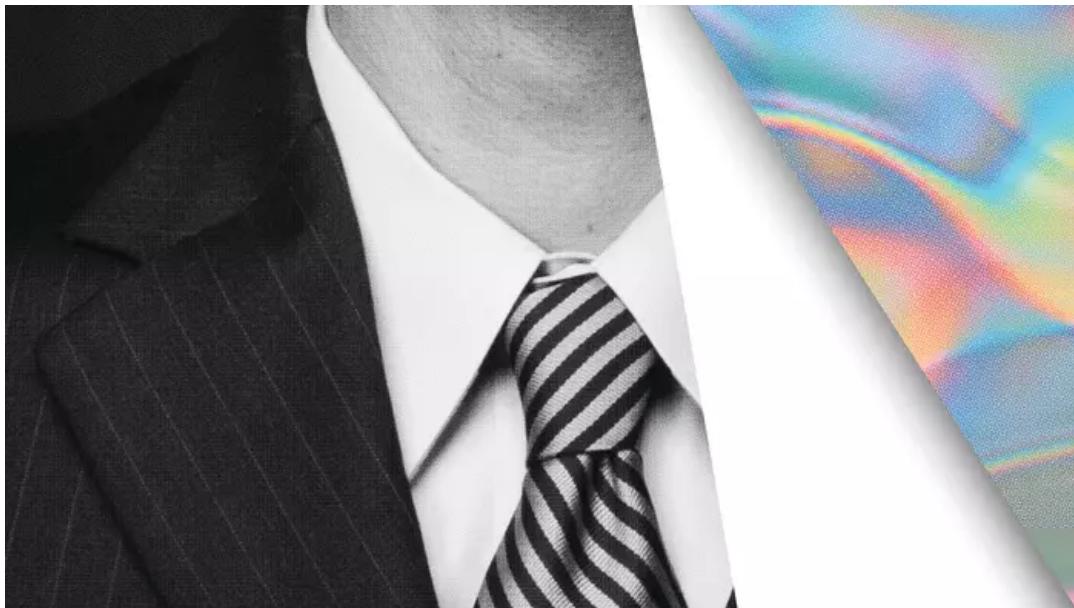


## Special Report Innovative Lawyers: Europe

**Law**

## Law firms confront a question of identity

The line between legal and business advice is blurring ever faster, say senior lawyers



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Reena SenGupta YESTERDAY

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Many companies are rethinking what they are in the light of technological and social change. Even venerable, century-old carmakers such Daimler and BMW are rebranding themselves as mobility companies and joining forces against upstart rivals such as ride-hailing apps, as drivers and passengers shift to new modes of travel.

Law firms, too, face fundamental changes, but even in the relatively innovative European legal market a longstanding business model predominates: the firms consist mainly of lawyers giving legal advice, organised into legal practice areas, charging by the hour and working in a partnership.

Michele DeStefano, professor of law at the University of Miami in the US, says many partners still see law firms as all about lawyers and their business professionals as second-class citizens.

Yet some law firms have changed. They are ceasing to be dominated by lawyers. The fastest-growing contingent at Baker McKenzie, for example, is the people offering non-traditional legal services. “It is a misnomer to think that law firms are just full of lawyers,” says Paul Rawlinson, the firm’s global chair.

The winner of the FT Innovative Lawyers continental European law firm award this year is Spain's Cuatrecasas. Many of its innovations ranked in this report are the result of empowering its business professionals and younger lawyers, and collaborations with other organisations. Jorge Badía, the firm's managing partner since 2015, says involving IT engineers and business professionals in making the firm's strategy was revolutionary. "They were physically separated and now they work in the same space as lawyers," he says.

## We call ourselves a legal business rather than a law firm

Andrew Leaitherland, DWF

Law firms have been diversifying for the past decade into related business lines such as consulting or managed legal services. Most of the top 20 law firms in the FT 50 (see [table](#)) offer some form of managed legal services — essentially lower-priced legal services for big, document-heavy projects. Yet few market this as a business in its own right.

One exception is DWF, a UK-based law firm, which is considering an initial public offering next year. The firm comprises three businesses: one akin to a traditional law firm giving premium legal advice; a managed legal services business handling commoditised legal work; and DWF Connected Services, which provides non-legal but related services.

"We call ourselves a legal business rather than a law firm," says Andrew Leaitherland, DWF managing partner and chief executive. His main reasons for floating include employee engagement through broader equity participation and raising capital to invest in technology. Most of the FT 50 law firms are tech-savvy, but DWF's IPO has the potential to show how serious investment in technology could transform the provision of legal services.

The managing partners in the FT 50 generally believe law firms in future will employ fewer lawyers and more business professionals, particularly data scientists and technologists. They appreciate that clients want more than technical legal advice and law-firm solutions must be multidisciplinary.

Baker McKenzie's Mr Rawlinson says firms will adopt the language of the big accountancy firms and management consultancies. "Law firms will be 'business solutions providers' who are reliant on legal and regulatory knowledge," he says. "The heavy emphasis on legal will come with other things such as technology, automation and presentation skills and how you manage risk for clients."

Peter Lee, founder of Wavelength.law, a new legal business that wraps up law and technology and styles itself as "legal engineers", sees the future law firm as

## Classic delineation is disappearing . . . the law industry will not escape

**Wim Dejonghe, Allen & Overy**

“delineation is disappearing: companies such as Amazon and Google are not limited to the traditional tech sector. The law industry will not escape.” Lawyers will go back to being generalists but ones who can fuse legal, business and knowledge of technology.

A legal career will remain an intellectual calling but, the managing partners agree, it will be more creative and interesting. “Law firm strategies have to be linked into where the clients are going,” says Stephen Hopkins, a partner at Eversheds Sutherland. “It is almost Darwinian, but the survival of the most agile is what will apply to law firms.”

a data business. “Law firms should know more about their clients than the clients themselves,” he says.

Wim Dejonghe, senior partner at Allen & Overy, says just as other industry sectors have blurred, lawyers could start to move away from the hyper-specialisation of the past 30 years. “Classic

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