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Comments on the results of the IBA 5th Annual Conference "Law Firm Management"

This is a full version of the Article, which was published in a short version in Ukrainian language in the year-end issue of one of the leading legal newspapers of Ukraine – "Yurydychna Gazeta" on 20 December 2011.

It is not the first time that I participate in this interesting and well-organized conference held under the auspices of the IBA. The Conference is international and I am always happy to see many members of our Ukrainian legal community actively participating and speaking at various panels. It was my great privilege to speak at the plenary session this year in particular because the Conference successfully celebrated its 5th anniversary! To this end - my heartfelt congratulations to the organizers Vassily Rudomino and Alexander Khvoshchinskiy, and to all the members of the Organizing Committee!

Our session was strategic, we talked about the results of a 20-year period of formation of legal markets in our countries and prospects for the future and also commented on the informative and dynamic presentation by Alan Hodgart on trends in the global legal market. The follow up discussion turned lively and informal, and I think it was interesting not only for the audience but also for the panelists to hear each other's opinions and to debate some controversial issues. This time we managed to somewhat depart from two traditional topics that are constantly discussed in the Russian legal community: the first topic is the regulation (or self-regulation) of the legal profession,

and the second - a place of ILFs (international law firms) and NLFs (national law firms) in the legal market in Russia. Both topics are extremely important for our Russian colleagues, but this time we came to expand the discussion and talked about global trends and their reflection on our markets in general, but also openly shared our own personal experiences.

I believe that the organizers were interested not only in my experience as a veteran of the Ukrainian legal market, but also in my active role in the formation of the legal community of the CIS economic region, gained from many years of organizing the CIS Local Counsel Forum. The CIS Forum is an annual meeting of managing partners of law firms from all countries of the region and partners of international law firms from around the world. For almost seven years it has been the primary platform for the formation of our professional community, where we exchange ideas, experience and contacts. Thanks to this work I have collected unique information about the way legal markets develop in the countries of the entire economic region. Therefore, in my comments I referred to the developments happening not only in Ukraine, but also compared them with the situation in the markets of other countries in the region.

For example, during our session I noted a paradoxical phenomenon: the well-established global tendency towards consolidation of players in the legal markets by various merger options - international law firms with each other, international firms with national ones, entry of purely national firms (mostly American or British) into international markets through acquisition of local teams in different countries - has not yet taken root in the legal markets of our countries. Quite to the contrary, in the largest markets of our region: Russia, Ukraine and Kazakhstan, there is still fragmentation and splits of market participants and the rare merger attempts have so far failed. It is therefore surprising that two most successful mergers occurred in small markets: Turcan Cazack in Moldova and Vlasova Michel in Belarus. Our moderator Vassily Rudomino commented on this divergence from the global trend saying that legal markets in our countries are still organized in a chaotic and nontransparent way, which narrows the possibility for mergers and acquisitions.

There were a number of other interesting topics discussed at our session: a close correlation of the legal market with economy and globalization processes (although the economy fluctuations are not always immediately reflected on the legal market); the lessons of the economic crisis; the progressive move of the legal market in major countries (Russia, Ukraine and Kazakhstan) into the regions, and moreover, formation of regional legal communities, such as South of Russia, the Urals, and so on; appearance of the boutique firms with narrow specialization (especially in the last couple of years in the Ukrainian market); brewing generational changes in more mature national law firms that are already 15-20 years old; development of "two-way street" in our relationships with international law firms (while previously the work was sent from them to us, now international firms expect and receive assignments from us for our national clients which have entered the international markets); different ways of developing «cross-border capabilities» for our national firms (participation in

international networks, establishment of regional networks, such as CIS Leading Counsel Network, close affiliations with global firms, etc.).

More than an hour was assigned to our session and at first it seemed that we would have enough time to talk about everything, but there were many more hot topics than we had expected! For example, I had no time to ask the audience what new practices would be developing in the nearest future in our countries (my opinion: personal data protection; compliance/anticorruption, nanotechnology, healthcare and especially private-sector elderly care, non-conventional energy sources and for Ukraine - participation in the European Energy Community).

In conclusion I would also like to mention the pre-conference events on 24 November, which were inspired and organized by Alexander Khvoshchinskiy to whom all the delegates were deeply grateful. These events included discussion of the Russian draft State Program "Justice" and its influence on the regulation of the legal market, Terrasoft presentation on virtualization of law firm operations (I was particularly interested in the possibility to create a virtual office in a "cloud", and it turned out that Terrasoft provides such service, and it was particularly pleasant that this company originated from Kiev); and finally the session on networking at professional conferences (how useful are such events for managing partners) to which I was invited as a founder of the CIS Local Counsel Forum.

At this session we talked about the importance of professional gatherings for our business and in all the panelists' opinions - they have become an integral and essential activity for managing partners and partners of law firms. At such events the participants usually have two goals: to develop their contact base and to find out "what's up with others" (and if the conference is devoted to a specific legal issue – also to gain new knowledge). At first, the panelists noted that the most important thing is to have a clear understanding of how a particular conference meets the strategic goals of your company, and then shared their "know-how" on maximizing efficiency of various professional events (starting from large annual IBA or ABA forums to smaller national or regional conferences).

Many warm words were said about the CIS Local Counsel Forum - Russian panelists who organized several national and regional forums in Russia pointed out that the CIS Local Counsel Forum was a model for them in terms of combination of intensive target networking and exchanging most current information and innovative ideas, as well as experiencing culture and traditions of the new host country every year (the Forum was already held in Baku, St. Petersburg, Minsk, Almaty and in Kiev twice). Taking this opportunity I would like to invite managing partners of Ukrainian law firms that have international ambitions (from all regions of our country!) to participate in the Seventh CIS Local Counsel Forum which will be held on 6-8 June 2012 in Yerevan. Detailed information at <http://www.rulg.com/cisforum/>